



Public Service Commission **Audit Reports**2010



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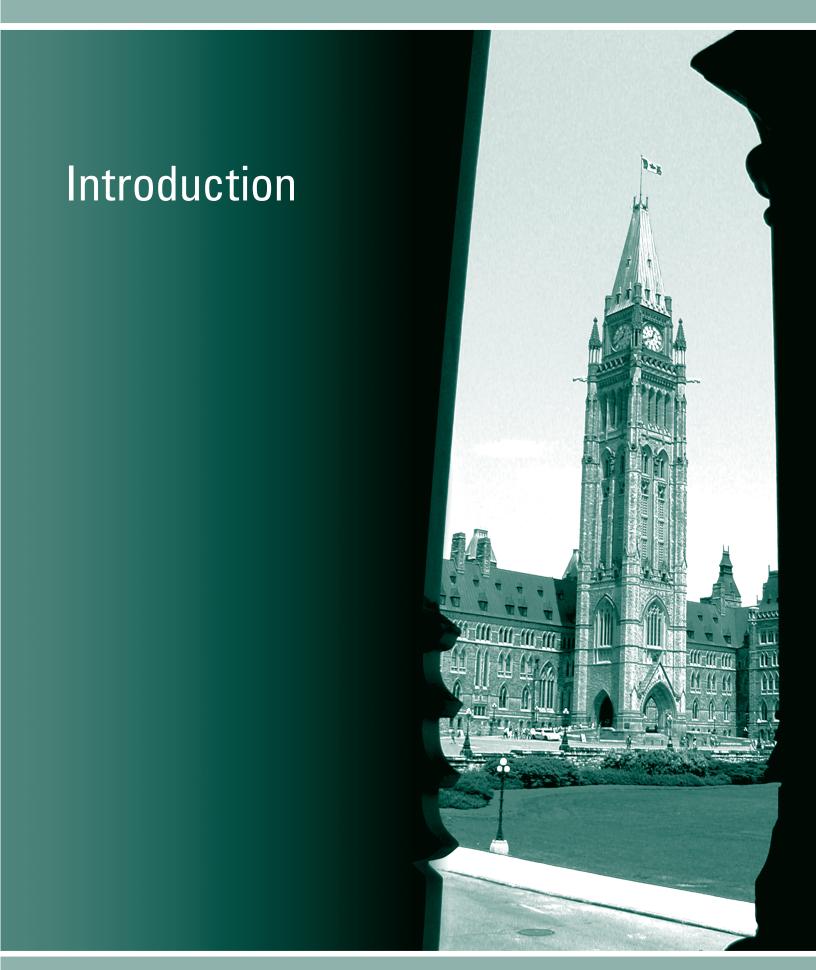


Public Service Commission Audit Reports 2010

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

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1 Introduction

Oversight and audit

- 1.1 The *Public Service Employment Act* (PSEA) provides the statutory basis for a non-partisan merit-based public service that is professional, representative of Canada's diversity and able to serve Canadians with integrity and in their official language of choice. The preamble of the PSEA articulates the core values of merit and non-partisanship and highlights the guiding values of fairness, access, transparency and representativeness in the appointment process.
- 1.2 The PSC is responsible for the administration of the PSEA. This Act gives the PSC exclusive authority to make appointments to and within the public service, based on merit. It further allows the PSC to delegate its authority for making appointments to departmental and agency deputy heads. The PSC delegates and provides oversight of appointments in 84 organizations subject to the PSEA.
- 1.3 The PSC is required to provide assurance to Parliament that merit is respected in appointments made under the PSEA. Audits provide the means to report on the integrity of the appointment framework and its application in organizations. They are an important oversight tool and are essential to enable the PSC to report to Parliament on how these delegated authorities are exercised.

2009-2010 audit reports

- 1.4 Organizations subject to audit were selected based on a number of factors outlined in the PSC Audit, Evaluation and Studies Plan for 2009 to 2011. Each audit examined two areas: the appointment framework and its application; and the compliance of a sample of appointments with the PSEA and other governing authorities. Seven entity audits and one follow-up audit are being tabled in Parliament in 2010:
 - Audit of Fisheries and Oceans Canada;
 - Audit of Indian and Northern Affairs Canada;
 - Audit of Library and Archives Canada;
 - Audit of the Atlantic Canada Opportunities Agency;
 - Audit of the National Parole Board;
 - Audit of the Canadian Grain Commission;
 - Audit of the Public Service Labour Relations Board; and
 - Follow-up audit of the Canadian Space Agency

1.5 In addition, in 2009-2010, the PSC has been conducting a follow-up audit of appointments at the Immigration and Refugee Board of Canada (IRB). The initial 2009 audit of this agency identified deficiencies in some of its systems and practices. The PSC agreed to continue to audit appointments made by the IRB for a period of one year. At the time of publishing this report, the PSC has completed an audit of appointments from July 1, 2009 to March 31, 2010. To date, audit work indicates that the IRB's appointments and appointment processes are generally in compliance with the PSEA and other requirements. In the fall of 2010, the PSC will complete the review of appointments from April 1 to June 30, 2010 and finalize the audit report.

Recurring Themes

- 1.6 While the audit work performed in 2009-2010 does not allow the PSC to make generalizations about appointment practices in all 84 organizations subject to the PSEA, it does allow the PSC to provide Parliament with an overview of practices concerning approximately 10% of the staffing activities affecting the government workforce.
- 1.7 Three key observations appear consistently across the organizations audited. The first observation relates to an important aspect of the appointment framework, monitoring of appointment processes. A number of reports recommended that organizations need to improve their own quality control practices; these practices should be designed to monitor appointments to ensure they are complete and compliant with the PSEA and allow for corrective actions as required.
- 1.8 Secondly, we observed that appointment processes are not always completely, accurately and reliably documented to demonstrate that the appointment complies with the PSEA and other governing authorities. Documentation enables sub-delegated managers to support appointment decisions and to demonstrate that they are based on merit. As such, a number of reports recommended that appointment files should contain evidence that the person to be appointed meets the essential qualifications for the position being staffed.
- 1.9 Thirdly, we observed the rationale for the choice of a non-advertised appointment process has proven to be a challenge. Several audit reports found that the rationale did not demonstrate how the process had met the established organizational criteria and the guiding values. While the business needs of organizations may benefit from this type of appointment process, it is necessary to balance these against the guiding values of fairness, access, transparency and representativeness. Several audit reports recommended that documentation related to appointment decisions should demonstrate that values are taken into account in the appointment process and that the process is consistent with PSC's policies and other governing authorities.

What happens after the audits?

- 1.10 When audit reports are completed, they are forwarded to the deputy head of the organization being audited. Two actions generally follow: the deputy head responds to the recommendations and develops an action plan; and the PSC determines whether the response and action plan are sufficient or whether additional action on its part is required.
- 1.11 A variety of instruments are available to the PSC. The PSC may initiate investigations and, when appropriate, implement corrective action. On the basis of the findings of individual audit reports, the PSC may also add additional conditions and limitations to the Appointment Delegation and Accountability Instrument.
- 1.12 This year, as a result of our audits, one entity had additional conditions imposed on their delegated authority. The PSC will monitor the implementation of all audit recommendations and will conduct follow-up audits, when appropriate. Also, the PSC removed the conditions it imposed on one entity.

Audit of

Fisheries and

Oceans Canada



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2 Audit of Fisheries and Oceans Canada

Summary

- 2.1 The objectives of the audit were to determine whether Fisheries and Oceans Canada (DFO) had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.
- 2.2 Our audit revealed that DFO had developed and communicated to its hiring managers and human resources (HR) advisors its HR objectives and priorities for the next three years and had articulated staffing strategies to achieve them. DFO had an official written sub-delegation instrument that clearly defined the roles and responsibilities for staffing and the way in which the delegated authorities were to be exercised.
- 2.3 DFO had put in place appointment policies that were mandatory according to the Public Service Commission's (PSC) appointment framework. However, the DFO *Policy on Area of Selection* was not in line with the requirement for organizations to have a national area of selection for external advertised processes, and the DFO *Policy on Non-Advertised Appointment Processes* was not fully consistent with the PSC policy.
- 2.4 DFO had monitored a number of its higher-risk appointment activities. We found, however, that DFO had failed to establish an effective follow-up mechanism as part of its monitoring of casuals becoming term or indeterminate employees.
- 2.5 We found that merit was not met in 9% of the external advertised appointment processes and external non advertised appointment processes audited. Lastly, we found indicators in 12% of the external appointment processes audited that the process gave preferential treatment to the appointee.
- 2.6 DFO accepted the audit findings and elaborated an action plan to address the issues raised in the audit report.
- 2.7 The PSC will monitor DFO's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of Fisheries and Oceans Canada.

Background

Fisheries and Oceans Canada

- 2.8 Established in 1868, Fisheries and Oceans Canada (DFO) manages and safeguards Canada's ocean, fish and aquatic resources. In 2008-2009, the Canadian Coast Guard (CCG) became a Special Operating Agency (SOA), its Commissioner reporting directly to the Deputy Minister of Fisheries and Oceans. This has been a major institutional change for DFO.
- 2.9 DFO is responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social and economic interests in oceans and fresh waters. The CCG is responsible for services and programs that make a direct contribution to the safety, security and accessibility of Canada's waterways.
- 2.10 In 2008-2009 there were approximately 10 500 full-time equivalents at DFO, distributed across the department. During the same period, CCG employees represented about 40% of DFO's workforce. DFO is a largely decentralized department, with approximately 8 out of 10 employees situated in one of six regions (Central and Arctic, Gulf, Maritimes, Newfoundland and Labrador, Pacific and Quebec) outside the National Capital Region. DFO's human resources function serves all regions and both business lines of this organization.
- 2.11 The Public Service Commission (PSC) is responsible for the administration of the *Public Service Employment Act* (PSEA). This Act gives the PSC exclusive authority to make appointments, based on merit, to and within the public service. It further allows the PSC to delegate to deputy heads of departments and agencies its authority for making appointments. The PSC signed an Appointment Delegation and Accountability Instrument with DFO delegating appointment authorities to the deputy head of DFO. The deputy head had full delegation authority during the period in which our audit was conducted.

Purpose and methodology of the audit

- 2.12 The audit of DFO was identified in the PSC's Audit, Evaluation and Studies Plan for 2009-2011. To develop this risk-based plan, the PSC reviewed in particular the Departmental Staffing and Accountability Reports for 2007-2008 and 2008-2009. This review revealed the staffing performance areas that DFO should improve and focus on. For the 2008-2009 fiscal year, the PSC found that DFO should improve its departmental human resources support systems, more specifically with regard to the quality of overall staffing services, and that the capacity of its Personnel Administration (PE) Group needs to be stated in measurable terms in the DFO human resources plan.
- 2.13 The objectives of the audit were to determine whether DFO had an appropriate framework, systems and practices in place to manage its staffing activities and to determine whether external appointment staffing activities in selected regions complied with the PSEA and other governing authorities. Given that certain risk areas were identified during the planning phase of our audit, this audit covers only DFO's external appointment activities and related decisions for the period from April 1, 2008, to March 31, 2009. Consequently, we reviewed a representative sample of DFO's external appointment files from selected regions: Pacific, and a combination of Maritimes and Gulf. For more details about our methodology and sampling, refer to **About the audit** at the end of this report.

Observations and recommendations

Most of the elements of a staffing framework are in place

Fisheries and Oceans Canada's human resources plan includes staffing strategies

- 2.14 We expected the Fisheries and Oceans Canada (DFO) human resources (HR) plan to provide staffing strategies. A staffing strategy describes staffing actions that the organization plans to take in order to implement the staffing direction of senior management, as stated in their HR plan. It describes the staffing objectives and how to achieve them in terms of measurable targets and expected time frames.
- 2.15 We found that DFO has an HR plan that provides staffing strategies. In its plan, DFO has identified its HR objectives and priorities for the next three years and has articulated staffing strategies to achieve them. Our audit also revealed that all regions carried out a variance analysis in relation to their individual HR plans and developed their own action plans to address variances between planned HR activities and actual results.
- 2.16 We noted that DFO has an Employment Equity (EE) Management Action Plan that was implemented in conjunction with the HR plan. One of the action items of this EE Management Action Plan is to put more emphasis on the identification of planned EE recruitment and staffing in all regions. Finally, we found that DFO's plans and strategies are communicated and available to hiring managers and human resources advisors.

Mandatory appointment policies are in place but some are not consistent with PSC policies

- 2.17 Under the *Public Service Employment Act* (PSEA), the Public Service Commission (PSC) requires that organizations develop their own policies and criteria with respect to area of selection, corrective action and revocation and use of non-advertised appointment processes. We expected DFO to have established departmental policies and criteria consistent with the policy requirements of the PSC Appointment Framework.
- 2.18 We found that DFO has put in place the appointment policies that are mandatory according to the PSC appointment framework, namely policies on area of selection, corrective action and revocation, and non-advertised appointment processes. We noted that DFO's *Corrective Action and Revocation Policy* is consistent with the PSEA and the PSC appointment framework. We found that the DFO *Policy on Area of Selection* is not in line with the requirement for organizations to have a national area of selection for external advertised processes. However, in the files we reviewed over the course of this audit, we did not find any issues related to the application of the PSC policy. We also found that the DFO *Policy on Non-Advertised Appointment Processes* is not consistent with the PSC policy, as it does not make reference to the value of representativeness. Therefore, DFO's policy did not require its managers

- to demonstrate, with a rationale, that the guiding value of representativeness had been considered. The impact of this lack of compliance is presented further in this report.
- 2.19 In addition to the mandatory policies, DFO has developed a number of policies or guidelines to support its appointment activities. These include policies on notification, student bridging, informal discussion, specified period appointment in an emergency situation, acting appointment and casual employment. We found that these policies or guidelines provide sub-delegated managers and HR advisors with relevant information and are consistent with the PSEA and the PSC appointment framework.

Recommendation 1

The deputy head of Fisheries and Oceans Canada should review both its *Policy on Area* of Selection and its *Policy on Non-Advertised Appointment Processes* in order to respect PSC's policies and should monitor their application.

Roles and responsibilities are communicated to stakeholders

- 2.20 We expected DFO to have mechanisms in place to ensure that stakeholders are informed of their roles and responsibilities and have the necessary knowledge to carry out their appointment-related responsibilities. We also expected DFO to have an established departmental structure for the sub-delegation of authority that is consistent with the PSEA and the PSC appointment framework.
- 2.21 We found that DFO has an official written sub-delegation instrument and that its sub-delegation authorities are in accordance with the Appointment Delegation and Accountability Instrument. The sub-delegation instrument clearly defines the roles and responsibilities for staffing and the way in which the delegated authorities are to be exercised.
- 2.22 As a follow-up to their mandatory training on sub-delegation, DFO's sub-delegated managers receive systematic and ongoing learning on staffing through a variety of means, including access to information and staffing tools on their corporate intranet and regular updates provided electronically through their departmental newsletter, *In the Loop*. We also found that sub-delegated managers have access to HR advisors whose expertise in the appointment framework has been validated through the PSC Appointment Framework Knowledge Test.
- 2.23 DFO has implemented a PE development program whose main objective is to attract and develop future HR advisors. Their learning curriculum is further supplemented by monthly staffing operations teleconferences. DFO has also put in place a National Staffing Shared Network Drive, which is designed to provide to their staffing community standardized

documents, information and tools such as forms and templates. In addition, based on interviews conducted with HR advisors, we found that they are aware of their roles and responsibilities.

Monitoring mechanisms are in place

- 2.24 We expected DFO to have mechanisms in place to ensure that appointments and appointment processes are monitored and that appropriate action is taken when deficiencies are identified. We also expected DFO to have mechanisms in place to ensure that appointment files contain sufficient and appropriate documentation to support selection and appointment decisions.
- 2.25 Our audit revealed that, since 2007-2008, DFO has been monitoring a number of its higher-risk appointment activities, including external non-advertised appointment processes and long-term acting appointments, as part of the department's *Health of HR Framework* monitoring report. We found that results are presented to senior management twice a year and are also communicated to regional management committees. The regular review of staffing patterns constitutes a good practice. This may proactively identify weaknesses in appointment activities and help the department to implement appropriate corrective actions. Our audit revealed that DFO's regions have also been developing action plans to address some of their respective vulnerabilities in staffing.

Documentation needs to support appointment decisions

- 2.26 Staffing files are official records of selection and appointment decisions. They should provide a reliable record of staffing activities leading to an appointment and contain evidence that the appointment values were respected throughout the process. While the use of a checklist is not mandatory, if it is comprehensive and regularly used, a checklist constitutes a useful tool to assist HR advisors and sub-delegated managers in completing their staffing actions and justifying their appointment decisions.
- 2.27 We found that DFO has developed a national checklist that is consistent with the PSC's requirements. However, our audit revealed that 36% (31 out of 85) of the files reviewed lacked important documentation. These documents should support key decision points and activities while demonstrating that the core and guiding values have been taken into consideration. Documents missing from DFO's appointment files included priority clearance requests, summaries of duties and right-fit justifications for the selection of appointees.

Compliance needs improvement

2.28 We expected DFO's external appointments and appointment processes in selected regions (Pacific and Maritimes/Gulf) to respect the core values (merit and non-partisanship), the guiding values (fairness, access, transparency and representativeness), other PSEA requirements, the PSC appointment framework and any other governing authorities.

Merit was not always met or demonstrated in selected regions

- 2.29 Section 30 of the PSEA establishes that appointments must 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 other asset qualifications, operational requirements or organizational needs identified in the statement of merit criteria.
- 2.30 Our audit revealed that merit was met and adequately demonstrated in 64% (54 out of 85) of external appointments reviewed. Of these 54 external appointments, 13 were made in the Pacific region and 41 were made in the Maritimes and Gulf regions. **Table 1** provides details on our audit findings concerning merit.

Table 1: Observations concerning merit

Observations		Number of appointments by process type		Total
	Observations	External Advertised	External Non-advertised	Total
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.	19 (49%)	35 (76%)	54 (64%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	16 (41%)	7 (15%)	23 (27%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	4 (10%)	4 (9%)	8 (9%)
Total appointme	nts audited	39 (100%)	46 (100%)	85 (100%)

Source: Audit and Data Services Branch, Public Service Commission

2.31 We found that merit could not be demonstrated in 27% (23 out of 85) of the external appointments reviewed. In these external appointments, we were unable to conclude whether merit was demonstrated either because there was no assessment or because the assessment found in the appointment file was incomplete. Assessments that were incomplete either did not evaluate all essential qualifications for the position or did not fully evaluate one or more essential qualifications. In the majority of cases where merit had not been demonstrated, we found no evidence that the person appointed met the education requirements.

2.32 We also found that merit was not met in 9% (8 out of 85) of external appointments. Of these eight appointments, all were made in the Pacific region. According to the PSEA, merit is met when the person to be appointed meets all of the essential qualifications and, if applied, any other asset qualifications, operational requirements and organizational needs identified in the statement of merit criteria. **Exhibit 1** presents an example of an appointment for which we found that merit was not met.

Exhibit 1: Merit was not met

In one external advertised process, the assessment found on file indicated that the appointee failed two of the essential qualifications. The candidate received a score of 38% for each of these qualifications. In addition, one of the essential qualifications indicated on the statement of merit criteria was not assessed. Therefore, the person appointed did not meet two of the identified essential qualifications.

Source: Audit and Data Services Branch, Public Service Commission

Recommendation 2

The deputy head of Fisheries and Oceans Canada should improve the:

- Quality of assessment for external appointments processes and provide guidance and tools to managers in order to complete fair and thorough assessments of the identified essential qualifications and other applicable merit criteria; and
- Quality of documentation on files in order to support external appointment decisions and activities and demonstrates that the core and guiding values are taken into consideration.

Some appointment processes in selected regions had indicators of preferential treatment

- 2.33 The core values of merit and non-partisanship remain the cornerstones of appointments to and within the public service. The process of selecting and appointing a person must also respect the guiding values of fairness, access, transparency and representativeness. We expected DFO's external advertised and non-advertised appointment processes in selected regions (Pacific and Maritimes/Gulf) not to provide an advantage or preferential treatment to candidates. Indicators of preferential treatment include, for instance, evidence that:
 - The statement of merit criteria has been tailored or is unnecessarily specific;
 - There has been a staged evolution whereby the employee temporarily occupies the position to which they are eventually appointed (or one that is similar) to gain the required experience before the manager conducts the appointment process;

- The language requirements have been adjusted during the appointment process in favour of a particular candidate; and
- The assessment methods have created a situation in which only someone who has already performed the work is given an advantage.
- 2.34 Our audit revealed that 12% (10 out of 85) of external appointments audited had indicators of preferential treatment. Of these, three did not demonstrate merit and three did not meet merit. In each case, we found evidence that the person appointed received an advantage or preferential treatment during the course of the appointment process. **Exhibit 2** presents one of these appointment processes.

Exhibit 2: Appointment process with indicators of preferential treatment

In one external advertised process, we found that the candidate was screened in despite the fact that there was no indication in their résumé that they met one of the essential qualifications. We also found that the appointee failed one of the essential qualifications during the interview. The candidate's score was subsequently increased to be over the pass mark. We were not given any explanation for the increase in the final score. In addition, a note on file indicated that the individual had previously worked as a casual worker before being appointed.

Source: Audit and Data Services Branch, Public Service Commission

- 2.35 We found cases in which successful candidates who had prior experience at DFO were given an advantage in an appointment process. Moreover, our audit revealed that, of these ten external appointments that had indicators of preferential treatment, nine were appointments of individuals who had previously been casual workers within the department.
- 2.36 DFO failed to establish an effective follow-up mechanism as part of its monitoring of casual workers becoming term or indeterminate employees. We found that, during the period covered by this audit, despite the acknowledgement of the risk in this area, no action plans were developed either in the regions or on a departmental level to specifically address the risk of casual workers becoming term or indeterminate employees.

Recommendation 3

The deputy head of Fisheries and Oceans Canada should include casual workers becoming term or indeterminate employees as part of its departmental monitoring exercise and take corrective measures in a timely manner, as required.

Other situations of non-compliance in selected regions

- 2.37 Priority persons did not always receive full consideration: The PSEA requires that employees of the federal public service be given priority consideration for appointment in or to the public service. An organization must obtain a priority clearance number from the PSC before making an appointment; this requirement ensures that employees with priority entitlements have been considered.
- 2.38 We found that in 19% (16 out of 85) of cases audited, federal public servants were not given priority consideration since the clearance request was completed after the appointment. We also found in 9% (8 out of 85) of cases audited that the clearance request contained essential qualifications that were different from or more stringent than the ones found in the statement of merit criteria used for the appointment. Of these eight appointments, four did not demonstrate merit and one did not meet merit. This practice is contrary to the PSEA and adversely affects the guiding values.

Recommendation 4

The deputy head of Fisheries and Oceans Canada should give priority consideration for appointments, in or to the department, to persons with priority entitlement before making an appointment, while respecting the guiding values of access, fairness and transparency.

- 2.39 Most non-advertised rationales do not demonstrate the value of representativeness: The PSC *Policy on Choice of Appointment Process* requires that appointments made through a non-advertised process be accompanied by a written rationale demonstrating how the choice of process meets the appointment values (core and guiding) and the organization's established criteria.
- 2.40 The DFO *Policy on Non-Advertised Appointment Processes* is not consistent with the PSC *Policy on Choice of Appointment Process*. As previously mentioned, DFO's policy needs to be reviewed and its application needs to be monitored (see **Recommendation 1**). Our audit revealed that 70% (32 out of 46) of the rationales for non-advertised processes neglected to address one or more than one values including representativeness. Of these 32 appointments, five did not demonstrate merit and one did not meet merit.
- 2.41 **Some external job opportunities were improperly advertised:** We expected DFO to provide persons residing within the area of selection with enough information about the position to be filled to make an informed decision about applying.
- 2.42 Our audit revealed that, in 13% (5 out of 39) of appointment files, the advertisement of external opportunities identified more than one level of job opportunity. In these cases, the statement of merit criteria made no distinction between the different levels of competence required for each level, either by using different knowledge, skills or abilities or by indicating the level of proficiency in the qualification for each level.

2.43 Moreover, the rating guides for these appointment processes did not indicate the cut-off scores for each level. This practice is against the PSC *Policy on Advertising in the Appointment Process* and puts at risk the guiding values of fairness, access and transparency. Of the five appointments with improper advertisements, three did not demonstrate merit and two did not meet merit. **Exhibit 3** presents one of these improper advertisements.

Exhibit 3: Example of improper advertisement

In one external advertised appointment process, the advertisement posted was for an LI-3 position. However the associated statement of merit criteria indicated job opportunities at the LI-3 to LI-6 level. The poster and statement of merit criteria contained no information distinguishing either the different qualifications or the levels of competency for each level of position to be staffed. Furthermore, the assessment tools used were identical for all positions and had one common pass mark despite the multiple levels being staffed.

Source: Audit and Data Services Branch, Public Service Commission

- 2.44 **Cases of inappropriate appointment:** We expected to find a letter of offer on the appointment file for each appointment that we reviewed. The letter of offer is the official appointment document outlining the terms and conditions of employment and the duration of the appointment. We expected that, before the appointment of an individual was made, the candidate's merit had been established and the conditions of employment had been met.
- 2.45 No individual should be working on federal public service premises without a letter of offer or a contractual agreement duly signed by the candidate and the sub-delegated manager. Such a situation creates a potential liability for the public service. As required by section 54 of the PSEA, before or on the date of appointment, the person being newly appointed to the public service must also subscribe to an oath or make a solemn affirmation swearing to faithfully, truly and impartially execute the duties of the position.
- 2.46 We found that, in 45% (38 out of 85) of appointments reviewed, the letter of offer was signed after the appointment date. The individuals in question were therefore working without having been properly appointed. Furthermore, 29% (25 out of 85) of appointment files contained evidence that the person appointed subscribed to an oath or made a solemn affirmation after the date of the appointment, contrary to the requirements of the PSEA. Exhibit 4 presents an example of inappropriate appointment.

Exhibit 4: Example of inappropriate appointment

In one external non-advertised appointment, the person appointed started working on a ship on August 1, 2008. A letter of offer was signed by the appointee on August 28, 2008. Moreover, one condition of employment (medical certificate) was not met until almost a year after the offer of appointment had been made, and the oath or solemn affirmation was signed after the date of appointment.

Source: Audit and Data Services Branch, Public Service Commission

Recommendation 5

The deputy head of Fisheries and Oceans Canada should ensure that:

- All persons appointed receive a duly signed letter of offer from a sub-delegated manager and accept such offer in writing prior to commencing their duties in order to ensure that there is a valid appointment document in place at the time of appointment; and
- All individuals being appointed to the federal public service subscribe to an oath or make a solemn affirmation before or on the date of appointment.

Conclusion

- 2.47 Our audit revealed that Fisheries and Oceans Canada (DFO) has developed and communicated to its hiring managers and human resources (HR) advisors an HR plan that provides staffing strategies. DFO has identified its HR objectives and priorities for the next three years and has articulated staffing strategies to achieve them. Our audit also noted that DFO has an official written sub-delegation instrument that clearly defines the roles and responsibilities for staffing and the way in which the delegated authorities are to be exercised.
- 2.48 We found that DFO has put in place appointment policies that are mandatory according to the PSC's appointment framework. However, we noted that the DFO *Policy on Area of Selection* is not in line with the requirement for organizations to have a national area of selection for external advertised processes and that the DFO *Policy on Non-Advertised Appointment Processes* is not consistent with the PSC's policy, as it does not make reference to the value of representativeness. Our audit also revealed that DFO has been monitoring a number of its higher-risk appointment activities. We found, however, that DFO has failed to establish an effective follow-up mechanism as part of its monitoring of casual workers becoming term or indeterminate employees.
- 2.49 Our audit also revealed that DFO's external appointments and appointment processes are not always compliant with the *Public Service Employment Act*. We found that merit was not met in some of the external advertised appointment processes and external non-advertised appointment processes audited. Lastly, we found evidence in some of the external appointment processes audited that the process gave an advantage or preferential treatment to the appointee.

Action taken by the Public Service Commission

The PSC will monitor Fisheries and Oceans Canada's (DFO) follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of DFO.

Overall response from Fisheries and Oceans Canada

Fisheries and Oceans Canada acknowledges that the facts presented in this report are accurate and accepts the recommendations resulting from the Audit. The Department is committed to addressing the issues raised in the report in a timely and rigorous manner.

The Department is developing a communication plan and action plan to correct the deficiencies identified by the Audit. Some actions are underway and some are already completed. For example, the Area of Selection and Non-Advertised Appointment Policies have been updated and are now consistent with PSC Policies. We have taken measures to ensure managers and human resources advisors receive refresher training, and have coordinated with the PSC Priorities Administration Unit to provide a presentation on the priority administration system to advisors and assistants. A staffing options document has been developed to provide direction to clients on different types of staffing scenarios and the favoured human resources approach. A monitoring plan has also been developed for 2010-2012, and the oath procedure for ships crew has been changed to ensure compliance.

We will continue to work with management and human resources professionals on a number of measures dealing with the application of merit and the importance of properly documenting staffing decisions to ensure the audit recommendations are achieved.

About the audit

Scoping considerations

Our audit covers appointment activities and related decisions within Fisheries and Oceans Canada (DFO) for the period from April 1, 2008, to March 31, 2009. This audit had two objectives. First, to determine whether DFO had an appropriate framework, systems and practices in place and implemented to manage its appointment activities. Second, to determine whether DFO's external appointments and appointment processes in the Pacific and Maritimes/Gulf regions¹ complied with the *Public Service Employment Act*; the Public Service Commission (PSC) appointment framework, including the Appointment Delegation and Accountability Instrument signed with the PSC; related departmental policies and other governing authorities.

For more information regarding our methodology and audit criteria, refer to the section entitled **Overview of Audit Approach** at the end of this publication.

Sample selection

Our sample of appointments was taken from the total appointments carried out within DFO's selected regions during the 2008-2009 fiscal year and targeted the highest-risk external processes that we identified during the planning stage of our audit. We excluded from our audit internal advertised, internal non-advertised and other appointment processes such as: reclassifications, appointments through the Special Assignment Program, appointments through bridging mechanisms and acting appointments. We also excluded three regions: Central and Arctic, Newfoundland and Labrador and Quebec.

We reviewed a representative sample of DFO's external appointment files from April 1, 2008, to March 31, 2009. A non-proportional stratified random sample of 85 files was selected from two regions: Pacific, and a combination of Maritimes and Gulf. Samples were stratified across two other variables: sector (Canadian Coast Guard and all other sectors combined) and type of process (advertised and non-advertised). **Table 2** provides details of our sample size and types of appointment processes audited. While the proportions reported are un-weighted, all results were compared to weighted estimates and no material differences were found.

¹ The Maritimes and Gulf regions have been combined in order to represent appointments on the East Coast; the Pacific region was chosen to represent the West Coast.

Table 2: Appointments audited (sample/population)

	Maritimes and Gulf	Pacific	Total
External advertised	19/241	20/308	39*/549
External non-advertised	26/64	20/38	46*/102
Total	45*/305	40*/346	85*/651

^{*} Indicates that sample estimate can be reported in an unqualified manner.

Source: Audit and Data Services Branch, Public Service Commission

Assuming a measured deviation rate of 20% or less, we can expect a confidence interval equal to or less than 10% at a confidence level of 90%. This allows for unqualified reporting of audit findings for cells marked with an asterisk.

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Audit of
Indian and
Northern Affairs
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3 Audit of Indian and Northern Affairs Canada

Summary

- 3.1 The Public Service Commission (PSC) has conducted an audit of Indian and Northern Affairs Canada (INAC) to determine whether INAC had an appropriate framework, systems and practices in place to manage its appointment activities and to determine whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.
- 3.2 The human resources (HR) function of INAC is decentralized. The HR staff in the regional offices report to the Regional Directors General and those responsible for HR service delivery to National Capital Regional clients report to the Director of the Human Resources and Workplace Services Branch.
- 3.3 We found that INAC had established HR plans and that the HR plans had improved in identifying INAC's risks, HR strategies and performance measures. INAC established the mandatory HR policies and was in the process of ensuring that the policies were current and complied with the PSC policies. We also found that the roles, responsibilities and accountabilities were clearly defined for the sub-delegated managers.
- 3.4 INAC was monitoring its actual staffing performance against its planned staffing results and taking corrective actions on a timely basis. However, we found no departmental strategy in place to verify the compliance of individual appointments to the PSEA, the PSC appointment policies and departmental policies.
- 3.5 We found that the data quality in the departmental HR system dealing with the type of appointments made had missing or incorrect information in approximately 50% of the files selected for this audit.
- 3.6 We found that 34% of the regional appointments reviewed demonstrated that the individual appointed to the position met the essential qualifications and other merit criteria for the position. We found that in 63% of the regional appointments reviewed, merit could not be demonstrated due to improper assessment tools or processes, or missing or incomplete documentation on file. We found 3% of the regional appointments reviewed merit was not met because the appointee failed to meet one or more of the essential qualifications.
- 3.7 INAC accepted the findings and elaborated an action plan to address the issues raised in the audit report.
- 3.8 The PSC will monitor INAC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report. As a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of INAC.

Background

Indian and Northern Affairs Canada

- 3.9 Indian and Northern Affairs Canada (INAC) is responsible for two mandates, Indian and Inuit Affairs and Northern Development. Together, these support Canada's Aboriginal and northern peoples in the pursuit of healthy and sustainable communities and broader economic and social development objectives.
- 3.10 As of March 31, 2009, INAC employed 4 967 employees, 46% of whom were employed in the National Capital Region, while the remaining employees were located in 10 regions across the country.
- 3.11 INAC has an established structure of 10 regional offices that report to one of two Assistant Deputy Ministers (ADM). Both of these ADMs report to the Deputy Minister.
- 3.12 The human resources (HR) function of INAC is decentralized. INAC's HR function is led by the Director General of HR and Workplace Services (DG HRWSB). The corporate HR function at Headquarters is responsible for delivering HR programs and services supporting department-wide HR priorities to all regions such as corporate support and infrastructure, policies and guidelines and monitoring and reporting on departmental HR performance. The HR staff in the regional offices reports to the Regional Director General. However, Headquarters also includes a regional HR group responsible for HR service delivery to National Capital Region (NCR) clients. The Director of HR Operations reports directly to the DG of HRWSB.

Purpose and methodology of the audit

3.13 INAC was identified in the Public Service Commission's Audit, Evaluation and Studies Plan for 2009-2011. The objectives of the audit were to determine whether INAC had an appropriate framework, systems and practices in place to manage its appointment activities and to determine whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities. This audit covered INAC's appointment activities for the period from October 1, 2008, to March 31, 2010.

- 3.14 The audit examined the departmental Appointment Framework, including its HR plans, policies, strategies and monitoring. However, this audit only examined the compliance of its appointments and appointment processes from the 10 regional offices, not including the NCR. The regional offices were examined because they were considered higher risk due to the decentralized nature of the HR function.
- 3.15 Representative sampling of appointments from the 10 regional offices was selected from the period of October 1, 2008 to September 30, 2009 as detailed in **Table 1**.

Table 1: Appointments audited by region

	Number of appointment files reviewed			
Regional Office	Advertised	Non-advertised	Total	
Alberta	4	5	9	
Atlantic	2	2	4	
British Columbia	4	4	8	
Manitoba	5	3	8	
Nunavut	3	3	6	
Northwest Territories	4	3	7	
Ontario	4	4	8	
Quebec	1	1	2	
Saskatchewan	4	2	6	
Yukon	3	3	6	
Total	34	30	64	

Source: Audit and Data Services Branch, Public Service Commission

3.16 For more details about our methodology and sampling, refer to **About the audit** at the end of this report.

Observations and recommendations

Essential elements of an appointment framework were in place

The human resources plan has improved

- 3.17 We expected Indian and Northern Affairs Canada (INAC) to have in place a Human Resources (HR) plan approved by the Deputy Minister. We also expected INAC to identify staffing risks and have in place strategies that include performance measures to address departmental staffing risks.
- 3.18 We found that the Deputy Minister had approved two HR plans, one for each of the two years reviewed for this audit. We found the HR plan for the second year (2009-2010 to 2011-2012) showed an improvement over the previous year in its identification of its staffing risks and staffing strategies. INAC improved its HR plan by developing 22 indicators to monitor its implementation of the staffing strategies.

Mandatory human resources policies were established

- 3.19 We expected INAC to establish and communicate to all stakeholders the departmental appointment policies that are mandatory under the Public Service Commission (PSC) Appointment Framework. These mandatory policies are Area of Selection, Choice of Appointment Process, and Corrective Action and Revocation and Criteria for the use of non-advertised appointment processes. We found that INAC had established all the mandatory policies and that these policies were made available to all departmental employees through the departmental intranet site.
- 3.20 We found that although INAC's *Policy on Corrective Action and Revocation* stated that it was to be reviewed in 2006, it was not reviewed as planned. In 2009, INAC did begin a process of reviewing each of its policies to ensure they were current and complied with the PSC Appointment Framework.

Roles, responsibilities and accountabilities were clear for sub-delegated managers

- 3.21 We expected there to be processes in place to ensure that stakeholders were informed of their roles, responsibilities and accountabilities for appointment-related activities. We also expected sub-delegated managers to have the necessary knowledge to carry out their appointment-related responsibilities.
- 3.22 INAC had clearly defined roles, responsibilities and requirements that had to be met in order to obtain staffing sub-delegation. INAC centrally manages the staffing sub-delegation process to ensure that the requirements are met. We found INAC's process for ensuring that the staffing sub-delegation requirements were met was well controlled.

3.23 However, during our review of appointment processes from the regional offices, we found that 12.5% (8 out of 64) of letters of offer were signed by an individual who was not sub-delegated. Of these eight letters, six were from the Northwest Territories and two were from Alberta. We found no evidence that the HR advisors in these regions advised the individuals that they did not have authority to sign the letters of offer, as was their responsibility as stipulated in INAC's *Policy on Staffing Sub-delegation*.

Monitoring was in place but there was no strategy to review individual appointments

- 3.24 Monitoring is an ongoing process of gathering and analyzing qualitative and quantitative information on current and past staffing results. This allows organizations to assess staffing management and performance (including risk assessment related to appointments and appointment processes). It also makes it possible to identify early corrective action, so as to manage and minimize risk and improve staffing performance.
- 3.25 We found that INAC had an established process for departmental monitoring of actual results of staffing activities against the planned staffing strategies. The Human Resources and Workplace Services Management Committee reviewed these results and made adjustments to the staffing strategies in response to the monitoring reports.
- 3.26 We also expected that INAC would have established a strategy to review individual appointment processes to ensure compliance with the *Public Service Employment Act* (PSEA), the PSC appointment policies and departmental policies. Furthermore, we expected that corrective action would have been conducted, where required, and steps would be taken to prevent recurring issues in the future.
- 3.27 Although we found evidence of reviews of individual appointment processes in response to specific complaints, we found no departmental strategy in place to verify the compliance of individual appointment processes to the PSEA and to take corrective actions when required.

Recommendation 1

The deputy head of Indian and Northern Affairs Canada should establish and implement a strategy to review and assess the compliance of individual appointment processes.

Data quality for mandatory reporting needs improvement

3.28 Effective monitoring is dependent on accurate and complete information. We expected that INAC would have accurate and complete information on appointment data to support staffing decisions and to meet the mandatory reporting requirements of the PSC. We drew our audit sample of appointment files from the information contained in the INAC HR information system.

- 3.29 We found that approximately 50% of all files selected in our representative sample contained either incorrect or missing information. The incorrect or missing information included the process number and type of staffing transactions such as acting, term, deployment, advertised, non-advertised, external or internal appointment information.
- 3.30 The information in the HR information system is used to support staffing decisions by INAC and is required by the PSC for mandatory reporting in the Departmental Staffing Accountability Report.

Recommendation 2

The deputy head of Indian and Northern Affairs Canada should improve the quality of the information in the human resources information system related to appointment and appointment processes to ensure accurate and complete information is available.

Majority of regional appointments and appointment processes did not demonstrate or meet merit

3.31 We expected INAC's appointments and appointment processes to respect the PSEA's core values of merit and non-partisanship, the guiding values of fairness, access, transparency and representativeness, other PSEA requirements, the PSC Appointment Framework and any other governing authorities. We also expected INAC appointment files to contain sufficient and appropriate documentation to support selection and appointment decisions.

Merit was met in some appointment processes

3.32 We found that 34% (22 out of 64) of the appointments demonstrated that the individual appointed to the position met the essential qualifications and other merit criteria for the position. In 3% (2 out of 64) of the appointments, merit was not met. In both of these appointments, the appointed candidate failed to meet one or more of the essential qualifications.

Table 2: Observations concerning merit

Observations		Number of appointments by process type		Totals
		Advertised	Non-advertised	
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.	12 (35%)	10 (33%)	22 (34%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	21 (62%)	19 (63%)	40 (63%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	1 (3%)	1 (3%)	2(3%)
Total appointme	nts audited	34 (100%)	30 (100%)	64 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Merit was not demonstrated in the majority of appointment files

- 3.33 Appointment files are official records of selection and appointment decisions. They should provide a reliable record of the staffing activities that led to an appointment and contain evidence that the appointment values were respected throughout the process.
- 3.34 We found that in 63% (40 out of 64) of the appointments reviewed merit was not demonstrated. In 28 of these appointments, we could not determine from the documentation on file that all qualifications were assessed, or there was no clear link between the qualifications and the assessment. In 12 of the appointments, there were no documented assessments at all.
- 3.35 Our findings were reviewed with regional HR management and advisors and sub-delegated managers to give them an opportunity to provide the missing documentation.

Recommendation 3

The deputy head of Indian and Northern Affairs Canada should improve compliance by developing assessment tools and methods that fully and fairly assess essential qualifications and other identified merit criteria and that appointments and appointment processes are fully documented.

Requirement for rationales for non-advertised processes was not met

- 3.36 According to the PSC *Choice of Appointment Process Policy*, non-advertised appointments should be accompanied by a written rationale demonstrating how the process has met the appointment values of fairness, access, transparency and representativeness and the established departmental criteria.
- 3.37 We found 17% (5 out of 30) of non-advertised appointment processes did not have a rationale on file. We also found that 100% (25 out of 25) of the non-advertised processes that did have a rationale on file did not fully demonstrate how the process met all of the appointment values. In addition, of the 25 non-advertised appointment processes with rationales on file, 40% (10 out of 25) did not demonstrate how the decision to use a non-advertised process met the departmental criteria established by INAC.
- 3.38 **Exhibit 1** presents an example of a rationale not demonstrating the appointment values.

Exhibit 1: Rationale not demonstrating the appointment values

A manager had an appointment process under way and was approached by an individual seeking employment with INAC. After conducting an interview, the manager decided to hire this person. The documented rationale for this appointment outlines the reasons for appointment as the immediate availability of the proposed appointee, the willingness to accept a one year term and the absence of relocation needs as the reasons for this appointment. This rationale did not explain how the values of fairness, access, transparency or representativeness were considered for this appointment.

Source: Audit and Data Services Branch, Public Service Commission

Recommendation 4

The deputy head of Indian and Northern Affairs Canada should demonstrate that a non-advertised appointment process contains a documented rationale. The rationale should demonstrate how the non-advertised process meets the established organizational criteria and addresses all four of the guiding values of fairness, access, transparency and representativeness.

Conclusion

- 3.39 We found that Indian and Northern Affairs Canada (INAC) had established Human Resources (HR) plans and that the HR plans had improved in identifying INAC's risks, HR strategies and performance measures. INAC established the mandatory HR policies and was in the process of ensuring that the policies were current and complied with Public Service Commission (PSC) policies. We also found that the roles, responsibilities and accountabilities were clearly defined for the sub-delegated managers.
- 3.40 INAC was monitoring its actual staffing performance against its planned staffing results and taking corrective actions on a timely basis. However, we found no departmental strategy in place to verify the compliance of individual appointments to the *Public Service Employment Act* (PSEA), the PSC appointment policies and departmental polices.
- 3.41 We found that the data quality in the departmental HR system dealing with the type of appointments made had missing or incorrect information in approximately 50% of the files selected for this audit. This data quality issue could impact INAC's ability to support its staffing decisions and to provide accurate mandatory reporting to the PSC.
- 3.42 We found that in 63% (40 out of 64) of the appointments, merit could not be demonstrated due to improper assessment tools or processes or missing or incomplete documentation on file. We found 3% (2 out of 64) of the appointments where merit was not met because the appointee failed to meet one or more of the essential qualifications.
- 3.43 INAC has an established regional structure and the HR function is decentralized to the ten regional offices. This structure requires a robust Appointment Framework to ensure accountability and compliance with the PSEA. INAC has established the essential Appointment Framework elements. However, it can improve its compliance with the PSEA and PSC policies by: reinforcing the roles, responsibilities and accountabilities of sub-delegated managers; developing a departmental strategy to monitor its individual appointment processes and improving the data quality in its HR information system.

Action taken by the Public Service Commission

The PSC will monitor Indian and Northern Affairs Canada's (INAC) follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report. As a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of INAC.

Overall response from Indian and Northern Affairs Canada

In view of the findings and recommendations of this Audit, INAC will closely monitor the Department's staffing practices to ensure that the issues identified in this report are addressed. INAC is committed to improving its staffing practices and will prepare and implement an action plan to ensure that audit recommendations are addressed and will communicate the plan to the HR staffing community and managers in all regions.

About the audit

Scoping considerations

Our audit covered appointment activities and related decisions within Indian and Northern Affairs Canada (INAC) for the period from October 1, 2008, to March 31, 2010. This audit had two objectives, first, to determine whether INAC had an appropriate framework, systems and practices in place and implemented to manage its appointment activities and, second, to determine whether appointments and appointment processes within INAC complied with the *Public Service Employment Act*; the Public Service Commission (PSC) Appointment Framework, including the appointment policy and the Appointment Delegation and Accountability Instrument signed with the PSC, as well as the policies governing the organization and other governing authorities.

For more information regarding our methodology and audit criteria, refer to the section entitled **Overview of Audit Approach** at the end of this publication.

Sample selection

Our sample of appointments was taken from the total appointments carried out within INAC between October 1, 2008 and September 30, 2009. This sample period does not cover the entire scope period of the audit (October 1, 2008 to March 31, 2010) to allow time for the audit team to collect and examine the appointment files. The sample covers the highest-risk areas that we identified during the planning stage of the audit. These high-risk areas were internal, external and term appointments and acting appointments of four months or more. We excluded from our audit reclassifications, appointments through the Special Assignment Program, appointments through bridging mechanisms and processes conducted by human resources at the National Capital Region INAC offices.

We put together a sample of 64 files, chosen at random from all of the advertised and non-advertised regional appointment processes.

Table 3: Appointments audited

Type of process	Total appointments	Appointments audited
Advertised	116	34
Non-advertised	58	30
Total	174	64

Source: Audit and Data Services Branch, Public Service Commission

Assuming a deviation rate of 20% or less, we can expect a confidence interval of 10% and a confidence level of 90%.

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Audit of
Library and
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4 Audit of Library and Archives Canada

Summary

- 4.1 The objectives of the audit were to determine whether Library and Archives Canada (LAC) had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.
- 4.2 An integrated HR plan for 2009-2012 was approved on March 3, 2009, at the end of our audit period. However, we found that the plan is not based on a workforce analysis or on intended results. In addition, it does not take into account organizational objectives defining current and future needs and does not provide any staffing strategies.
- 4.3 LAC has clearly defined the roles and responsibilities and the requirements that must be met in order to obtain sub-delegation. In fact, LAC has developed an instrument and policy for the sub-delegation of HR authorities, defining roles and responsibilities. It also provides a staffing course to managers affected by the sub-delegation of authorities. Each manager has access to advice and guidance from HR advisors, whose knowledge of the Appointment Framework has been validated using the Public Service Commission (PSC) Appointment Framework Knowledge Test.
- 4.4 We found that LAC carried out some monitoring activities. In fact, LAC prepared its first staffing monitoring report, covering appointment activities that took place in the period from October 2007 to September 2008. However, during the period covered by our audit, no specific action plan was developed to take corrective action to address the problems raised in the LAC report released in February 2009.
- 4.5 We also found that appointments and appointment processes at LAC were not always compliant. In 10% of the advertised appointment processes and 14% of the non-advertised appointment processes, we found that merit was not met. In 12.5% of the advertised appointment processes and 57% of the non-advertised appointment processes audited, we found evidence that a preferential treatment was given to the person appointed.
- 4.6 LAC accepted the findings and elaborated an action plan to address the issues raised in the audit report.
- 4.7 The PSC will monitor LAC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of Library and Archives Canada.

Background

Library and Archives Canada

- 4.8 The *Library and Archives of Canada Act* was passed by Parliament on May 21, 2004. Library and Archives Canada (LAC) combines the collections, services and staff of two former institutions: the National Library of Canada and the National Archives of Canada. The transformation process began with a change in perspective for both institutions, including a culture change. This transition took place over several years, which required the new organization to identify the areas where there was overlap, consolidate assets and synergies and reallocate resources according to its new mandate. The mandate of LAC is to:
 - Preserve Canada's documentary heritage for the benefit of present and future generations;
 - Be a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada as a free and democratic society;
 - Facilitate in Canada co-operation among communities involved in the acquisition, preservation and diffusion of knowledge; and
 - Serve as the continuing memory of the Government of Canada and its institutions.
- 4.9 LAC is a centralized organization, with 92% of its workforce located in the National Capital Region. It also has four regional offices in order to provide regional access to the Government of Canada's archived documents. As of March 31, 2009, there were 1 166 employees at LAC, including 228 archivists and librarians.
- 4.10 The Public Service Commission (PSC) is responsible for the administration of the *Public Service Employment Act* (PSEA). This Act gives the PSC exclusive authority to make appointments, based on merit, to and within the public service. It further allows the PSC to delegate to organizational deputy heads its authority for making appointments. The PSC signed an Appointment Delegation and Accountability Instrument with LAC delegating appointment authorities to the deputy head of LAC. The deputy head had full delegation authority during the period in which our audit was conducted.

Purpose and methodology of the audit

- 4.11 In its Audit, Evaluation and Studies Plan for 2009-2011, the PSC stated that it would conduct this audit of LAC. To develop this risk-based plan, the PSC reviewed in particular the Departmental Staffing and Accountability Reports for 2007-2008 and 2008-2009. This review revealed the staffing performance areas that LAC should improve or those to which they should pay particular attention. For the 2008-2009 fiscal year, the PSC found that LAC should, among other things, improve its planning activities and pay particular attention to its follow-up and monitoring activities as well as its respect of staffing values, particularly representativeness.
- 4.12 This audit covers LAC's appointment activities for the period from April 1, 2008, to March 31, 2009. The objectives of the audit were to determine whether LAC had an appropriate framework, systems and practices in place to manage its appointment activities and to determine whether appointments and appointment processes complied with the PSEA and other governing authorities. For more details about our methodology and sampling, refer to **About the audit** at the end of this report.

Observations and recommendations

The Appointment Framework needs improvement

The human resources plan is incomplete

- 4.13 We expected the Library and Archives Canada (LAC) human resources (HR) plan to contain staffing strategies that are supported by the organization's appointment-related policies. Specifically, we expected the plan to be based on a workforce analysis and on intended results so that staffing strategies could meet the organizational objectives.
- 4.14 LAC's choice of appointment process policy states that the choice of an internal or external, advertised or non-advertised process should be consistent with HR planning. LAC's area of selection policy states that the HR plan should be considered when an area of selection is determined. We found, in the period covered by our audit, that LAC had neither an HR plan nor staffing strategies that would allow it to respect its organizational policies and Appointment Framework.
- 4.15 An integrated HR plan for 2009-2012 was approved on March 3, 2009, at the end of our audit period. However, we found that the plan is not based on a workforce analysis or on intended results. In addition, it does not take into account organizational objectives defining current and future needs and does not provide any staffing strategies.

Recommendation 1

The deputy head of Library and Archives Canada should identify organizational objectives and discrepancies and establish appropriate, concrete staffing strategies that integrate the Appointment Framework.

The roles and responsibilities are clearly defined

- 4.16 We expected there to be processes in place to ensure that stakeholders are informed of their roles and responsibilities and have the necessary knowledge to carry out their appointment-related responsibilities. We also expected the sub-delegation of appointment authorities to comply with the PSEA and the Public Service Commission (PSC) Appointment Framework.
- 4.17 The deputy head of LAC signed an Appointment Delegation and Accountability Instrument (ADAI) with the PSC, giving him delegated appointment authorities. By accepting these authorities, the deputy head agreed to conduct staffing activities in a way that respected merit and the appointment values that govern the entire public service. Our audit revealed that the sub-delegation of HR authorities within LAC has been carried out in accordance with the PSC Appointment Framework.

- 4.18 LAC has clearly defined the roles and responsibilities and the requirements that must be met in order to obtain sub-delegation. In fact, LAC has developed an instrument and policy for the sub-delegation of HR authorities, defining roles and responsibilities. It also provides a staffing course to managers affected by the sub-delegation of authorities. Additionally, LAC communicates the ADAI, the instrument of sub-delegation and its organizational policies through its intranet.
- 4.19 Once managers have met all of the requirements set by the deputy head, they are asked to confirm, in writing, that they accept the appointment authorities delegated to them. Each manager has access to advice and guidance from HR advisors, whose knowledge of the Appointment Framework has been validated using the PSC Appointment Framework Knowledge Test.
- 4.20 During interviews with the HR advisors and the sub-delegated managers, we were told that the advisors provide advice and guidance to managers who are involved in staffing processes. However, when we audited the files, we found that in some appointment processes, the sound advice and guidance imparted by the HR advisors were not followed by the managers. These processes resulted in non-compliant appointments.

Some monitoring activities are carried out

- 4.21 We expected activities to be in place within LAC to ensure that appointments and appointment processes are monitored, in order to guarantee that they fulfill the requirements of the PSEA, the PSC Appointment Framework, including the PSC appointment policies and the instrument of delegation signed with the PSC, as well as the policies governing the organization. We also expected mechanisms to be in place to ensure that appropriate corrective action is taken, as needed.
- 4.22 During the period covered by our audit, we found that LAC carried out some monitoring activities. In fact, LAC prepared its first staffing monitoring report, covering appointment activities that took place in the period from October 2007 to September 2008. The objectives of this internal exercise were to determine whether the 26 appointment processes analyzed were in compliance, and to identify areas for improvement.
- 4.23 In our opinion, the review of appointment files for monitoring purposes is a good practice that can help improve compliance of appointment processes and adherence to the Appointment Framework. However, during the period covered by our audit, no specific action plan was developed to take corrective action to tackle the problems raised in the LAC report released in February 2009.
- 4.24 We also found that LAC has set up a human resources committee (HRC) responsible for monitoring appointment-related decisions. The committee is co-chaired by two assistant deputy ministers and is made up of the directors general or representatives of each of the organization's branches. Subjects discussed at the HRC include the internal monitoring report, the review of or changes to organizational policies, extensions and acting appointments of more than 12 months and certain non-advertised internal appointments.

4.25 Although the internal monitoring report was discussed at the HRC in June 2009, by the end of this audit, the committee had still not ensured that corrective measures were put in place to address the report's recommendations. Furthermore, despite the changes made to the PSC appointment policy in March 2007 to include the guiding value of representativeness, the committee had not revised their organization's policy on the choice of appointment process to include this value

Some staffing files were not complete

- 4.26 Staffing files are official records of the selection and appointment decisions. They should provide a reliable record of staffing activities that led to an appointment and contain evidence that the appointment values were respected throughout the process.
- 4.27 We found missing documentation in 37.5% (15 out of 40) of the advertised processes and 57% (4 out of 7) of the non-advertised processes audited. In 25% (10 out of 40) of the advertised appointment processes, the file did not contain a signed statement of non-partisanship ensuring that all candidates were assessed fairly and equitably. Furthermore, in 14% (4 out of 28) of the advertised appointment files and 57% (4 out of 7) of the non-advertised appointment files that did contain this declaration, we found no evidence that an assessment had in fact taken place.
- 4.28 Although it is not a requirement, a checklist is a common and useful tool in the creation of staffing files. If it is comprehensive and used regularly, a checklist constitutes a best practice. It clarifies what evidence is required to substantiate the appointment decision, demonstrates that due process was followed and provides instructions on the order in which to carry out the various steps of the process.
- 4.29 We found that LAC uses a checklist to ensure that its staffing files are well documented. However, this checklist is incomplete, as it lacks essential elements such as the requirement to include in the file the justification for the appointment decision, evidence that a corrective action was taken further to informal discussion or documentation following the appointment (information requests, complaints, investigation or tribunal reports or decisions, revocations, etc.).

Recommendation 2

The deputy head of Library and Archives Canada should ensure that activities and corrective measures arising from its monitoring are completed in a timely manner and address high-risk areas.

The compliance of appointments and appointment processes should be improved

4.30 We expected appointments and appointment processes to respect the core values (merit and non-partisanship), the guiding values (fairness, access, transparency and representativeness) and other requirements of the PSEA, the PSC Appointment Framework and all other organizational documents governing appointments.

Merit was not always met or demonstrated

- 4.31 Section 30 of the PSEA establishes that appointments must 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 other asset qualifications, operational requirements or organizational needs established by the deputy head.
- 4.32 In 10% (4 out of 40) of the advertised appointment processes and 14% (1 out of 7) of the non-advertised appointment processes, we found that merit was not met. **Table 1** provides a summary of our observations concerning merit for the appointments audited.

Table 1: Observations concerning merit

Observations		Number of appointments by process type	
		Advertised	Non-advertised
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.	9 (22.5%)	1 (14%)
Merit was not demonstrated Assessment tools and methods did not demonstrate that the person appointed met the identified requirements.		27 (67.5%)	5 (72%)
Merit was not met The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.		4 (10.0%)	1 (14%)
Total appointments	audited	40 (100%)	7 (100%)

Source: Audit and Data Services Branch, Public Service Commission

4.33 Merit was not demonstrated in 72% (5 out of 7) of the non-advertised appointment processes. Moreover, merit was not demonstrated in 67.5% (27 out of 40) of the advertised appointment processes. In most of the advertised appointment processes, we found no evidence that the person appointed met the education requirements. In other cases, either there was no clear link between the qualifications and the assessment or no assessment had been added to the appointment file. **Exhibit 1** presents an example where merit was not demonstrated.

Exhibit 1: Merit was not demonstrated

Merit was not demonstrated in an external advertised process, as the only question used to assess one of the essential qualifications was removed. During a review of the file, it was impossible for us to determine whether the person appointed possessed this qualification, since no other assessment tool was designed to assess it.

Source: Audit and Data Services Branch, Public Service Commission

4.34 We also found that merit was not met in 10% (4 out of 40) of the advertised appointment processes and 14% (1 out of 7) of the non-advertised appointment processes. The following **Exhibit 2** illustrates two examples where merit was not met.

Exhibit 2: Merit was not met

- 1. In the case of an external advertised process, a candidate was appointed even though they failed to meet an essential qualification in the written exam. This essential qualification was not assessed by any other tool. The person appointed therefore did not meet one of the identified essential qualifications.
- 2. In the case of an external non-advertised process, the candidate appointed to a bilingual imperative CBC/CBC position did not have valid language test results at the time of their appointment. The candidate's results had expired a number of years earlier, and LAC did not test the candidate as part of the appointment process.

Source: Audit and Data Services Branch, Public Service Commission

Preferential treatment given in some audited processes

- 4.35 The core values of merit and non-partisanship remain the cornerstones of appointments to and within the public service. The process of selecting and appointing the person must also respect the guiding values of fairness, access, transparency and representativeness. The staffing files must contain evidence that these values were respected throughout the appointment process.
- 4.36 In 12.5% (5 out of 40) of the advertised appointment processes and 57% (4 out of 7) of the non-advertised appointment processes audited, we found evidence that an advantage or preferential treatment was given to the person appointed. These cases were characterized by a combination of the following factors:
 - The candidate's involvement in the process;
 - Changes to the linguistic profile to reflect that of the person to be appointed;

- Pre-screening and merit criteria very specific, favouring the candidate who already occupied the position in an acting capacity; and
- Changes made to passing scores.
- 4.37 In those advertised appointment processes where preferential treatment was given to the person appointed, all five cases did not demonstrate merit. For the non-advertised appointment processes favouring the candidate appointed, we found that three did not demonstrate merit. **Exhibit 3** presents an example of an appointment favouring the candidate appointed.

Exhibit 3: Appointment favouring the candidate appointed

The candidate appointed, who held the position in an acting capacity, was involved in developing the statement of merit criteria for the internal advertised process through which the candidate was appointed. Although there were 18 applicants, the candidate appointed was the only one to meet the specific requirements that were set and acquired during the candidate's acting period. Moreover, the hiring manager was the only person to assess this candidate, and conducted a narrative assessment.

Source: Audit and Data Services Branch, Public Service Commission

Recommendation 3

The deputy head of Library and Archives Canada should ensure that:

- Appointments are based on merit and that the assessment tools ensure a fair and thorough assessment of the identified essential qualifications and other applicable merit criteria.
- Documentation as it pertains to appointments is complete, accurate and adequate.

The area of selection is sometimes too restrictive

4.38 In 10% (4 out of 40) of the advertised appointment processes and 1 of the 4 internal non-advertised processes, we found that the area of selection (advertised processes) or area of recourse (non-advertised internal processes) were limited, restricting the pool of potential candidates. In fact, LAC uses vague terminology in its area of selection policy, putting the guiding values at risk. For example, the policy contains expressions such as "should think about," "generally advisable" and "whenever feasible." Exhibit 4 presents an example of a process where the area of selection was too restrictive.

Exhibit 4: Process presenting an area of selection that was too restrictive

In the case of an internal advertised process that was open only to LAC employees in the National Capital Region, the area of selection used did not meet the PSC appointment policy requiring that the area identified ensure a reasonable pool of candidates. In addition, the organization's policy for this group and level states that, to the extent possible, creating an area of selection open to all LAC employees across Canada should be considered. There is a large pool of potential candidates for this group and level within the federal public service; however, the area of selection identified allowed only three candidates to apply, even though there were several positions to staff. The area of selection therefore did not allow access to a reasonable pool of potential candidates.

Source: Audit and Data Services Branch, Public Service Commission

4.39 In the case of the advertised appointment processes where the area of selection was found to be too restrictive, we found three cases where merit was not demonstrated. We also found that merit was not demonstrated in the single non-advertised appointment process where the area of recourse was too restrictive.

Rationales for non-advertised processes are non-compliant

- 4.40 According to the PSC *Choice of Appointment Process Policy*, non-advertised appointments should be accompanied by a written rationale demonstrating how the process has met the established organizational criteria and the appointment values.
- 4.41 We found that in all of the seven cases of the non-advertised appointment processes audited, the human resources committee approved appointments that did not demonstrate that the guiding values were respected. These appointments did not comply with the PSC *Choice of Appointment Process Policy*. As stated previously, despite changes to the PSC appointment policy in 2007, LAC did not revise its organizational policy on the choice of appointment process to include the value of representativeness. LAC's current policy therefore does not require its managers to demonstrate, with a rationale, that the value of representativeness has been considered.

Recommendation 4

The deputy head of Library and Archives Canada should review its area of selection policy and update its policy on the choice of appointment process to include the value of representativeness and ensure that it achieves greater compliance with the Appointment Framework.

Conclusion

- 4.42 In the course of this audit, we found that Library and Archives Canada (LAC) had no human resources (HR) plan for the period covered by the audit. An integrated HR plan for 2009-2012 was approved in March 2009, at the very end of the audit period. However, this plan is not based on a workforce analysis and does not provide staffing direction.
- 4.43 The audit found that the deputy head of LAC clearly defined the roles and responsibilities of stakeholders not only by developing an instrument and policy on the sub-delegation of HR authorities, but also by providing a staffing course for sub-delegated managers. Managers also have access to advice and guidance from HR advisors, whose knowledge of the Appointment Framework has been validated using the Public Service Commission (PSC) Appointment Framework Knowledge Test.
- 4.44 We also found that LAC carried out some monitoring activities. However, we found that since the release of its internal monitoring report in February 2009, LAC had not yet developed an action plan for taking corrective action. Furthermore, the checklist that LAC uses to ensure that staffing files are well documented is missing essential elements.
- 4.45 We found that LAC appointments and appointment processes are not always compliant. We found that merit was not met in 10% (4 out of 40) of the advertised appointment processes and 14% (1 out of 7) of the non-advertised appointment processes audited. Finally, in 12.5% (5 out of 40) of the advertised appointment processes and 57% (4 out of 7) of the non-advertised appointment processes audited, we found evidence that the process gave an advantage or preferential treatment to the person appointed.

Action taken by the Public Service Commission

The PSC will monitor Library and Archives Canada's (LAC) follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of LAC Canada.

Overall response from Library and Archives

In response to the conclusions and recommendations raised during this audit, LAC is committed to reviewing its staffing policies, practices and procedures so that it can improve its performance. Some measures have already been taken. For example, on January 22, 2010, senior management approved a human resources (HR) plan containing staffing strategies. In addition, concrete actions were taken in response to the recommendations made in the internal monitoring report. Since these actions were taken after the audit period, they are not mentioned in the report. This commitment is outlined in an action plan and will be communicated to senior management and HR staff.

Staffing within the Canadian public service is based on values that aim to build a competent, non-partisan and merit-based public service. Respect for these values at all times is the cornerstone of the audits conducted by the PSC. One of the challenges of management is to achieve balance among the various values and reconcile them with operational needs. We propose an approach that considers the risks associated with the values and recognizes that these risks should be defined and documented more clearly.

About the audit

Scoping considerations

Our audit covered appointment activities and related decisions within Library and Archives Canada (LAC) for the period from April 1, 2008, to March 31, 2009. This audit had two objectives. First, to determine whether LAC had an appropriate framework, systems and practices in place and implemented to manage its appointment activities. Second, to determine whether appointments and appointment processes within LAC complied with the *Public Service Employment Act*; the Public Service Commission (PSC) Appointment Framework, including the appointment policy and the Appointment Delegation and Accountability Instrument signed with the PSC, as well as the policies governing the organization and other governing authorities.

For more information regarding our methodology and audit criteria, refer to the section entitled **Overview of audit approach** at the end of this publication.

Sample selection

Our sample of appointments was taken from the total appointments carried out within LAC during the 2008-2009 fiscal year and targeted the highest-risk processes that we identified during the planning stage of our audit. We excluded from our audit non-advertised processes for reclassifications, appointments through the Special Assignment Program, appointments through bridging mechanisms and acting appointments.

Due to the small number of non-advertised processes left, the seven remaining appointments were included in the audit. A representative sample of 40 advertised processes was selected through simple random sampling.

Table 2: Appointments audited

Type of process	Total appointments	Appointments audited
Advertised	197	40*
Non-advertised	7	7*
Total	204	47*

Source: Audit and Data Services Branch, Public Service Commission, confirmed by LAC

Assuming a deviation rate of 20% or less, we can expect a confidence interval of 10% or less at a confidence level of 90%. This allows for unqualified reporting of audit findings for cells marked with an asterisk.

^{*} Marked cells have sample sizes sufficiently large for unqualified reporting.

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Audit of the
Atlantic Canada
Opportunities
Agency



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5 Audit of the Atlantic Canada Opportunities Agency

Summary

- 5.1 The Public Service Commission (PSC) has conducted an audit to determine whether the Atlantic Canada Opportunities Agency (ACOA) had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.
- 5.2 We found that ACOA had a Strategic Human Resources Plan and a broad Staffing Strategy. Furthermore, appointment policies consistent with the PSEA and the Public Service Commission Appointment Framework are in place. The sub-delegated managers are trained and have access to experienced human resources advisors regarding appointment processes. We found that ACOA needs to strengthen its framework, systems and practices to better align staffing strategies and priorities. In particular, ACOA needs to review the design and the application of the sub-delegation instrument. Roles, responsibilities and accountabilities for key stakeholders involved in the appointment system are not always clearly defined. As well, the current monitoring framework for staffing needs improvement.
- 5.3 We found that merit was met in most cases. We found that merit was met in 75% of appointments. However, we found five appointments where merit was not met. Merit was not met when the person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified. In 10 other appointments, merit was not demonstrated either because a qualification had not been properly assessed or because of flaws in the assessment tool or process. We also found that the rationales for non-advertised processes did not always demonstrate respect for the guiding values.
- 5.4 ACOA accepted the findings and elaborated an action plan to address the issues raised in the audit report.
- 5.5 The PSC will monitor ACOA's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the Deputy Head of ACOA.

Background

Atlantic Canada Opportunities Agency

- 5.6 Established in 1987, the Atlantic Canada Opportunities Agency (ACOA) is the federal organization responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador. The mandate of ACOA is to support and promote opportunities for the economic development of Atlantic Canada, with particular emphasis on small and medium-sized enterprises. It does this through the development and implementation of policies, programs and projects and through the advocacy of the interests of Atlantic Canada in national economic policy, program and project development and implementation.
- 5.7 As of December 31, 2009, ACOA employed 719 persons under the *Public Service Employment Act* (PSEA). ACOA's head office is in Moncton, New Brunswick. ACOA has offices located in all four provincial capitals in Atlantic Canada, each led by a regional vice-president. The largest concentration of employees is in New Brunswick with 378 (53%), followed by Newfoundland and Labrador, with 123 (17%), Nova Scotia, with 121 (17%), and Prince Edward Island, with 65 (9%). Thirty-two (4%) employees work in the National Capital Region.

Purpose and methodology of the audit

- 5.8 ACOA was identified for audit by the Public Service Commission (PSC) in its Audit, Evaluation and Studies Plan for 2009-2011. To develop this risk-based plan, the PSC reviewed in particular the Departmental Staffing and Accountability Reports for 2007-2008 and 2008-2009. This review revealed the staffing performance areas that ACOA should improve or those to which they should pay particular attention. For the 2008-2009 fiscal year, the PSC found that ACOA should, among other things, improve its planning activities (by including expected results and performance indicators for staffing direction) and pay particular attention to its follow-up and monitoring activities.
- 5.9 The audit examined the activities pertaining to the staffing management framework from April 1, 2008, to March 31, 2010. We also reviewed a representative sample of ACOA appointment files from April 1, 2008, to September 30, 2009. The objectives of the audit were to determine whether the ACOA had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities. For more details about our methodology and sampling, refer to **About the audit** at the end of this report.

Observations and recommendations

The appointment framework needs improvement

Strategies and plans are not adequately aligned

- 5.10 We expected the senior management of ACOA to have identified organizational staffing strategies aligned with staffing priorities. These strategies should set out measurable expected results and performance indicators so that ACOA can determine whether each strategy has been achieved.
- 5.11 We found that ACOA has a 2009-2012 Strategic Human Resources Plan, including staffing priorities. ACOA has also developed a 2009-2010 Staffing Strategy which outlines high-level considerations and strategies to be used to achieve its priorities specific to recruitment and staffing. However, these staffing strategies do not specifically align with the staffing priorities. Furthermore, in 85% (51 of the 60) of files in our sample, the appointment process was not planned or linked to ACOA's staffing strategy. As a result, there is a risk that the appointments made on an ad hoc basis do not meet the organization's needs.
- 5.12 We also found that the production, approval and communication of regional plans are left to each region and are not coordinated.
- 5.13 Moreover, we found no performance indicators for the staffing strategies. We therefore found no observable means by which ACOA's staffing strategy's achievements can be measured.

Recommendation 1

The President of the Atlantic Canada Opportunities Agency should better align staffing strategies and appointment processes to enable the organization to meet and measure progress against planned staffing priorities.

Design of the sub-delegation process needs improvement

- 5.14 We expected ACOA to have a sub-delegation process in place to ensure that properly authorized persons sign letters of offer. An instrument of delegation used for granting sub-delegation must also define roles and responsibilities and be made accessible to all employees.
- 5.15 To support delegation, we found that ACOA sends individual letters of sub-delegation, signed by its President, to sub-delegate staffing authority. According to these letters the delegation is valid only for the period that the incumbent occupies a specific position, identified by title. Each time the title changes, the delegation is no longer valid.

- 5.16 During our review of appointment files, we found instances (28%, 17 out of 60) where managers signed letters of offer and were not properly authorized to do so. ACOA's officials informed us that the process to manage the sub-delegation will be revised to address this finding.
- 5.17 We also found that the roles and responsibilities of ACOA's senior management committee in regard to appointment-related decisions, including planning, monitoring and corrective action, are not documented and defined. ACOA's officials informed us that this observation will be addressed.

Mandatory appointment policies are in place

- 5.18 The PSC requires that organizations establish policies on area of selection and corrective action and revocation as well as establishing criteria for the use of non-advertised processes. We expected ACOA to have established formal, written and approved appointment policies that meet or exceed PSC requirements. These policies should be accessible by all staff and be updated on an established or cyclical basis.
- 5.19 ACOA has established mandatory appointment policies and communicates them to all employees. We found that the mandatory policies were presented to ACOA's Executive Committee in 2005. However, they were not formally approved. We also found that within the *Policy on Area of Selection* and the criteria for non-advertised processes, the guiding value of representativeness is not listed consistently with the other values. Furthermore, the organization does not have a formal tracking system for amendments to policies. ACOA's officials informed us that these findings will be addressed.

Staffing training is provided

- 5.20 We found that all sub-delegated managers at ACOA are required to attend a course given by the Director, Staffing and Human Resources Programs, about roles, responsibilities and the appointment framework before sub-delegation can be granted. Furthermore, during the period in which our audit was conducted, a refresher course was offered to existing sub-delegated managers as a reminder of their roles and responsibilities.
- 5.21 Sub-delegated managers in all regions have access to human resources advisors (HRAs). The knowledge of the appointment framework has been validated by the PSC for the majority (83%, 10 out of 12) of the HRAs.

Monitoring of appointment processes is not adequate

5.22 We expected ACOA to monitor appointments to ensure that its appointments respect the requirements of the PSEA, PSC policies, and the Appointment Delegation and Accountability Instrument (ADAI) signed with the PSC by establishing a system to gather and analyze information on current and past staffing results. This would allow the organization to assess the management of appointments and to take corrective action if necessary.

- 5.23 We found that a senior HRA makes recommendations and gives advice to other HRAs. This senior HRA also reviews some appointment files for compliance. This activity is subjective, as it is conducted by the same individual who provides advice and guidance. Furthermore, the results of this review are not formally communicated to senior management.
- 5.24 We found no framework that describes how the organization is to proceed with monitoring and who is responsible for conducting this work.

Recommendation 2

The President of the Atlantic Canada Opportunities Agency should establish and implement an effective monitoring framework for staffing that provides accurate, reliable, timely and complete information on appointments and clearly defines roles, responsibilities and accountabilities for all stakeholders.

Compliance requires some improvement

Merit is met in most cases

Table 1: Observations concerning merit

Observations		Number of appointments by process type		Total
			Non-advertised	
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.	24 (67%)	21 (88%)	45 (75%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	8 (22%)	2 (8%)	10 (17%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	4 (11%)	1 (4%)	5 (8%)
Total appointme	nts audited	36 (100%)	24 (100%)	60 (100%)

Source: Audit and Data Services Branch, Public Service Commission

- 5.25 We found merit was met in 75% (45 out of 60) of appointments. However, we found five appointments where merit was not met. Four of these were advertised processes, one was non-advertised.
- 5.26 In one case where merit was not met, we found indicators of preferential treatment. In four other appointments where merit was not demonstrated, we also found indicators of preferential treatment. An example of an appointment where merit was not met is illustrated in **Exhibit 1**.

Exhibit 1: Merit was not met

In an advertised process, the candidate appointed received failing marks on the assessment of essential qualifications. However, the candidate was appointed to the position.

Source: Audit and Data Services Branch, Public Service Commission

5.27 In 10 other appointments, merit was not demonstrated either because a qualification had not been properly assessed or because of flaws in the assessment tool or process. An example of merit not being demonstrated is given in **Exhibit 2**.

Exhibit 2: Merit was not demonstrated

In one advertised process, there were many discrepancies in the appointment file both for the assessment methods and for the rating of the successful candidate.

In regard to the assessment methods, we found various reporting tools showing different weights for the same qualification. Furthermore, there were no pass marks for the assessment of certain essential qualifications.

For the rating of the person appointed, there were insufficient explanations about a written test demonstrating how the appointee was assigned the final score. We were unable, even after discussing this case with ACOA's human resources officials, to conclude whether the successful candidate had been appointed according to merit.

Source: Audit and Data Services Branch, Public Service Commission

The rationales for non-advertised processes do not always demonstrate respect for the guiding values

- 5.28 The PSC *Choice of Appointment Process Policy* states that non-advertised appointments must be accompanied by a written rationale demonstrating how the process meets the established organizational criteria and the guiding values.
- 5.29 ACOA's criteria for non-advertised appointment processes specify that such processes must respect the guiding values and the identified criteria, as well as enable the organization to meet its business and human resources needs as identified in its human resources plan.
- 5.30 We found that only 8 rationales of the 24 non-advertised processes audited demonstrated how the appointment met the guiding values of fairness, access, transparency and representativeness. Eleven from the remaining sixteen did not demonstrate any of these values.
- 5.31 In addition, 75% (18 out of 24) of non-advertised processes audited did not meet the criteria established by ACOA.

Recommendation 3

The President of the Atlantic Canada Opportunities Agency (ACOA) should monitor the non-advertised appointments rationales to ensure that delegated managers fully and consistently follow the PSC *Choice of Appointment Process Policy* and ACOA's criteria for non-advertised appointment processes.

Conclusion

- 5.32 We found that the Atlantic Canada Opportunities Agency (ACOA) has a Strategic Human Resources Plan and a broad Staffing Strategy. Furthermore, appointment policies consistent with the *Public Service Employment Act* and the Public Service Commission Appointment Framework are in place. The sub-delegated managers are trained and have access to experienced human resources advisors regarding appointment processes.
- 5.33 We found that ACOA needs to strengthen its framework, systems and practices to better align staffing strategies and priorities. In particular, ACOA needs to review the design and the application of the sub-delegation instrument. Roles, responsibilities and accountabilities for key stakeholders involved in the appointment system are not always clearly defined. As well, the current monitoring framework for staffing needs improvement.
- 5.34 Our audit also revealed that merit was met in most cases. However, we found that the rationales for non-advertised processes did not always demonstrate respect for the guiding values.

Action taken by the Public Service Commission

The PSC will monitor Atlantic Canada Opportunities Agency's (ACOA) follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the Deputy Head of ACOA.

Overall response from the Atlantic Canada Opportunities Agency

ACOA is in agreement with the accuracy of the facts as they are expressed in this report. In view of the findings and recommendations brought forth, ACOA has developed a Management Action Plan that addresses the recommendations outlined in the report.

About the audit

Scoping considerations

The objectives of the audit were:

- To determine whether Atlantic Canada Opportunities Agency (ACOA) has an appropriate framework, systems, practices in place and implemented to manage its appointment activities; and
- To determine if appointment and appointment processes in ACOA comply with the *Public Service Employment Act* (PSEA), the Public Service Commission's (PSC) appointment framework including the Appointment Delegation and Accountability Instrument (ADAI) signed with the PSC, the related policies and other governing authorities of ACOA.

Audit activities consisted of interviews with Human Resources (HR) specialists and Atlantic Canada Opportunities Agency managers involved in staffing activities, and bargaining agent representatives. In addition, organizational documentation regarding plans, policies, programs, processes, communications and reports with respect to staffing at ACOA were reviewed.

The audit covered the period from April 1, 2008 to March 31, 2010.

For more information regarding our methodology and audit criteria, refer to the section entitled **Overview of audit approach** at the end of this publication.

Sample selection

The sample of appointments was taken from the total appointments carried out by ACOA between April 1, 2008 and September 30, 2009. The sampling frame of the population was based on ACOA departmental HR data and was stratified by two aspects of type of process (advertised vs. non-advertised, and internal vs. external).

Table 2 below provides details of our sample size and types of appointment processes audited. While the proportions reported are un-weighted, all results were compared to weighted estimates and no material differences were found.

Table 2: Appointments audited (sample/population)

	Internal	External	Total
Advertised	18/63	18/93	36*/156
Non-advertised	12/19	12/17	24*/36
Total	30*/82	30*/110	60*/192

Source: Audit and Data Services Branch, Public Service Commission

^{*}Indicates that sample estimate can be reported in an unqualified manner.

Assuming a measured deviation rate of 20% or less, we can expect a confidence interval equal to or less than 10% at a confidence level of 90%. This allows for unqualified reporting of audit findings for cells marked with an asterisk.

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Audit of the National Parole Board



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6 Audit of the National Parole Board

Summary

- 6.1 The Public Service Commission (PSC) has conducted an audit of the National Parole Board (NPB) to determine whether the NPB had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.
- 6.2 We found that the NPB did not have an appropriate framework, systems and practices in place to appropriately manage its appointment activities. At the time of the audit, the NPB did not have a corporate human resources plan, its human resources support and challenge functions on staffing were insufficient, no monitoring program was implemented and data on appointments was incomplete and inaccurate.
- 6.3 We found that most of the appointments we reviewed did not comply with the PSEA. In 18% of the appointments we reviewed, merit was not met when the person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified. Merit was not demonstrated in 64% of the appointments, because assessment tools were found to be inadequate, incomplete or non-existent. Documentation supporting appointment decisions requires improvement.
- 6.4 We are concerned that the guiding values are at risk. In almost all appointments reviewed, sub-delegated managers did not address the values when choosing a non-advertised process. We also found indicators of preferential treatment in almost half of the appointments reviewed.
- 6.5 During the course of the audit, the recently appointed Chairperson of the NPB developed and approved a corporate human resources plan including staffing strategies; modified training requirements for sub-delegation; hired additional human resources advisors; and undertook a preliminary monitoring exercise. The Chairperson also indicated that action would be taken to ensure that the required training be completed.
- 6.6 The PSC has placed conditions on the delegation of staffing authorities at the NPB. The Chairperson of the NPB has provided the PSC with an action plan that outlines how the NPB will respond to the audit recommendations. The Chairperson of the NPB will also be required to provide the PSC with semi-annual reports on progress made against this action plan.

Background

National Parole Board

- 6.7 In 1959, the *Parole Act* replaced the *Ticket of Leave Act* and created the National Parole Board (NPB), launching the modern era of conditional release in Canada. The NPB is an independent administrative tribunal that has exclusive authority under the *Corrections and Conditional Release Act* to grant, deny, cancel, terminate or revoke day parole and full parole. The NPB, as part of the criminal justice system, makes independent, quality conditional release and pardon decisions and clemency recommendations. The NPB is also responsible for making decisions to grant, deny and revoke pardons under the *Criminal Records Act*. The NPB contributes to the protection of society by facilitating, as appropriate, the timely integration of offenders as law-abiding citizens.
- 6.8 As of March 2009, the NPB employed 359 employees. In addition, there were 41 full-time and 36 part-time members appointed by the Governor in Council (as of September 23, 2009). As of March 2009, 34% of the NPB's personnel were employed in the National Capital Region, with the remainder distributed in the other five regions (Atlantic, Quebec, Ontario, Prairies and Pacific). In July 2009, the NPB appointed a new Chairperson.
- 6.9 The *Public Service Employment Act* (PSEA) provides the statutory basis for a non-partisan, merit-based public service that is professional, representative of Canada's diversity and able to serve Canadians with integrity in their official language of choice. The preamble to the PSEA articulates the core appointment values of merit and non-partisanship and highlights the guiding values of fairness, access, transparency and representativeness.
- 6.10 The Public Service Commission (PSC) is responsible for the administration of the PSEA. This Act gives the PSC exclusive authority to make appointments, based on merit, to and within the public service. It further allows the PSC to delegate to organizational deputy heads its authority for making appointments. The Chairperson of the NPB signed an Appointment Delegation and Accountability Instrument with the PSC and developed a sub-delegation instrument that includes the conditions related to appointment authorities. The Chairperson had full delegation authority during the audit period.

Purpose and methodology of the audit

- 6.11 In its Audit, Evaluation and Studies Plan for 2009-2011, the PSC stated that it would conduct this audit of the NPB. The NPB was identified as being high-risk because of the 2008-2009 Departmental Staffing Accountability Report that indicated challenges in the areas of human resources (HR) planning and a lack of HR support systems and monitoring.
- 6.12 The objectives of the audit were to determine whether the NPB had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the PSEA and other governing authorities.
- 6.13 This audit covered the NPB's appointment framework for the period from April 1, 2008, to March 31, 2010.
- 6.14 All appointments, under the PSEA, made in the Quebec region and a representative sample of appointments for the remaining regions were reviewed for the period of April 1, 2008, to September 30, 2009. For more details about our methodology and sampling, refer to **About the audit** at the end of this report.

Observations and recommendations

The National Parole Board faces several human resources management challenges

- 6.15 The National Parole Board (NPB) faces many human resources (HR) management challenges, notably in recruiting and retaining personnel. The NPB reported having lower classification levels compared to other federal departments and agencies, as well as limited opportunities for promotion.
- 6.16 As a result of an increasing number of employees becoming eligible for retirement in the next five years, the NPB identified the loss of corporate knowledge, leadership and management capacity as additional risks.
- 6.17 The NPB reported a shortage of professionals and discussed that the impact on operations could be significant if the recruitment and retention of these professionals, including finance officers, access to information and privacy officers and HR advisors, remains an issue.

 The NPB also stated that it will be essential to recruit employees who are representative of the available Canadian workforce.

The Appointment Framework needs improvement

Human resources planning is under way

- 6.18 We expected the NPB to have an HR plan. We found that the NPB did not have one in place between April 2008 and March 2010.
- 6.19 In the absence of an HR plan, we expected the NPB to justify its staffing activity. We found that 57% (32 out of 56) of the appointment files included documentation explaining the staffing activity.
- 6.20 The NPB's Human Resources Committee (HRC) resumed activity in November 2009. The NPB's senior management has approved the HRC's terms of reference outlining the mandate of the committee, its members, its roles and responsibilities and the frequency of meetings. HR management anticipates that the HRC will provide direction in staffing.
- 6.21 In April 2010, the Chairperson approved the NPB's Integrated HR Plan for 2009-2010 and 2011-2012. We noted that the HR plan includes an environmental scan, identification of gaps and challenges and staffing strategies.

Some policies require updating and clarification

- 6.22 We expected and found that the NPB has put in place the appointment policies that are mandatory under Public Service Commission (PSC) policies. We found approved policies for area of selection (including national area of selection), corrective action and revocation and criteria for choosing non-advertised processes.
- 6.23 We found that the NPB's stated *Area of Selection Policy* and criteria for non-advertised processes are not being adhered to and require updating.
- 6.24 The NPB signed a Memorandum of Understanding (MOU) with the Correctional Service of Canada (CSC) and the Office of the Correctional Investigator stipulating that employees of these two organizations would be included in the area of selection for the NPB's appointment processes. The CSC is more geographically dispersed within regions than the NPB; in most regions, the NPB has only one office. For some appointment processes, the NPB uses a radius from its regional office to establish the area of selection; this is not in keeping with the NPB *Area of Selection Policy*. In doing so, the NPB denies access to appointment processes to CSC employees who occupy positions outside the established radius. This practice is not consistent with the signed MOU.

Recommendation 1

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

Sub-delegation of appointment authorities has been granted

- 6.25 We expected sub-delegation of appointment authorities to be granted to officials who exercise appointment authorities.
- 6.26 Managers receive a Sub-delegation of Human Resources Management Authorities Instrument relative to their sub-delegation obligations. The instrument outlines the following accountabilities:
 - Respecting the core and guiding values;
 - Ensuring that all appointment decisions adhere to the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER) and any other statutory instruments;
 - Adhering to the PSC appointment policies; and
 - Respecting the NPB staffing policies and practices.
- 6.27 The instrument includes a memorandum from the Chairperson of the NPB outlining the conditions of sub-delegation and the sub-delegated manager's accountabilities.

 The memorandum states that, if the authority is abused or misused, corrective measures

- will be taken that may include the withdrawal of appointment authority. In signing the delegation instrument, the manager indicates an understanding of the responsibilities that the sub-delegation entails.
- 6.28 The NPB memorandum used for sub-delegation indicates that the sub-delegated managers will receive an annual reminder of their responsibilities. The NPB could not provide evidence that annual reminders have been issued.
- 6.29 The preamble to the NPB's sub-delegation instrument indicates that delegation is granted after the required training has been completed. We found that, during the period under review, all sub-delegated managers had completed the required training prior to being granted sub-delegation.
- 6.30 In February 2010, the NPB added an additional training requirement delivered by the Canada School of Public Service that must be completed prior to obtaining sub-delegation. Managers who currently have sub-delegation are also required to complete this course by March 31, 2011. The Chairperson has indicated that action will be taken to ensure that the required training is completed.

The staffing challenge function is not effective

- 6.31 HR advisors have a key role in ensuring that appointment and appointment-related decisions are compliant with the legislative framework and in ensuring adequate documentation in the appointment file. They provide both strategic and operational advice on how to conduct particular appointment processes. We expected the NPB to ensure that an HR advisor be accessible to sub-delegated managers to provide expert advice and play a challenge function.
- 6.32 The NPB's HR advisors are located at its headquarters. Through interviews, we confirmed that regional corporate services managers provide staffing advice in the regions.
- 6.33 We expected to find, based on the NPB's service delivery model for staffing, that both HR advisors and regional corporate services managers provide expert advice and play a challenge function.
- 6.34 We found evidence that guidance was provided in 11 out of 56 appointments reviewed, of which four were from regional corporate services managers. Examples of areas in which guidance was provided include the statement of merit criteria, evaluation methods and notification.
- 6.35 We found five instances where appropriate staffing guidance was provided to, but not followed by, the hiring manager. **Exhibit 1** illustrates one example where HR advice was not followed, thereby putting the guiding values at risk.

Exhibit 1: Human resources advice was provided but not followed

In one non-advertised appointment process resulting in a three-level promotion, a note to file indicated that the HR manager, in keeping with the guiding values of the PSC, had strongly advised against proceeding with a non-advertised appointment process to fill this position. The sub-delegated manager stated urgency and the various functions of the position as the reasons for the choice of process. The non-advertised appointment process did not demonstrate merit and did not respect the guiding values, as previously advised by the HR manager.

Source: Audit and Data Services Branch, Public Service Commission

- 6.36 We also found two instances where guidance provided did not comply with the appointment framework. For example, in one instance the regional corporate services manager misinterpreted the PSER in a manner that favoured the appointee; the appointee was given an acting appointment for a period of more than 12 months without meeting the linguistic requirements of the position.
- 6.37 At the NPB, advice and guidance are not always documented by the HR advisors and regional corporate services managers throughout the process. An effective and documented challenge function could reduce the risk of significant irregularities in the application of legislation, policy and appointment values.
- 6.38 The NPB has a document entitled Roles and Responsibilities of Sub-delegated Managers and Human Resources Advisors in the Staffing Process. The document outlines the roles and responsibilities of the sub-delegated managers and HR advisors at each of the general decision points in an appointment process: planning, establishing of merit criteria, choice of process, assessment, selection, notification, informal discussion, appointment, after appointment and lessons learned.
- 6.39 In April 2010, the NPB was proposing to use this document as its main reference on roles and responsibilities, but we noted that the document still needed to be reviewed and approved by the Chairperson of the NPB.
- 6.40 Sub-delegated managers interviewed reported a high turnover of HR advisors during the audit period, while sub-delegated managers in headquarters indicated capacity issues with the HR advisors based on the high turnover. In response, the NPB has recently hired additional HR advisors and has developed a training plan to increase the staffing knowledge and abilities of its HR advisors.

Recommendation 2

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

Recommendation 3

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

Monitoring activities are insufficient

- 6.41 We expected departments and agencies to monitor appointments to ensure that they respect the requirements of the PSEA and other governing authorities, policies and the instrument of delegation signed with the PSC. The PSC has established the Staffing Management Accountability Framework (SMAF) with indicators to determine the way in which appointment authorities are being carried out. Deputy heads are required to demonstrate to the PSC that their organization's staffing system meets the mandatory indicators identified in the SMAF.
- 6.42 Monitoring is an ongoing process of gathering and analyzing qualitative and quantitative information on current and past staffing results. This allows organizations to assess staffing management and performance (including risk assessment related to appointments and appointment processes). It also makes it possible to identify early corrective action, so as to manage and minimize risk and improve staffing performance.
- 6.43 During the period under review, the NPB did not have a monitoring program in place as required by the appointment framework. A monitoring framework was developed in 2005 and revised in 2008 but has not been implemented; senior management has indicated that its implementation has been largely impeded by the lack of resources.
- 6.44 The NPB reported in its 2008-2009 Departmental Staffing Accountability Report that it has departmental monitoring mechanisms in place to identify whether managerial staffing decisions comply with appointment values and policies. We noted that the NPB has conducted one monitoring exercise in 2009 on the appointment files.

Appointment data requires improvement

- 6.45 Effective monitoring is dependent on accurate and complete information. We expected the NPB to have a system in place to provide accurate and timely information on appointment-related activities. We found that the NPB has challenges with the collection of its appointment-related data.
- 6.46 Appointments are conducted and managed by each regional office, each of which has developed its own method for capturing the appointment-related information in staffing logs. We reviewed these staffing logs and found inconsistencies in the coding of processes, incomplete information related to appointments and the omission of appointments when compared to more reliable sources. In our opinion, the incomplete and inconsistent collection of data between regions impacts the quality of the data that is available for monitoring purposes.

Recommendation 4

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

Most appointments were non-compliant

Merit was not demonstrated or met in most appointments

6.47 Section 30 of the PSEA establishes that appointments must 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 and, if relevant, any other asset qualifications, operational requirements and organizational needs identified in the statement of merit criteria. **Table 1** illustrates the compliance results of the 56 appointments we reviewed.

Table 1: Observations concerning merit

Observations			appointments cess type	Total
		Advertised	Non-advertised	
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.	6 (17%)	4 (19%)	10 (18%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	24 (69%)	12 (57%)	36 (64%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria.	5 (14%)	5 (24%)	10 (18%)
Total appointme	nts audited	35 (63%)	21 (37%)	56 (100%)

Source: Audit and Data Services Branch, Public Service Commission

- 6.48 We found that merit was not demonstrated in 64% (36 out of 56) of the appointments: 69% (24 out of 35) of the advertised appointments and 57% (12 out of 21) of the non-advertised appointments.
- 6.49 We were unable to conclude whether merit was demonstrated in these appointments because there was no clear link between the qualifications and the assessment, because not all qualifications were assessed or because no assessment was found on the appointment file. During the course of the audit, the NPB did not provide further documentation for the missing assessments. The Appointment Delegation and Accountability Instrument requires that appointment and appointment-related decisions be fully documented.

 Exhibit 2 presents an example where merit was not demonstrated.

Exhibit 2: Merit was not demonstrated

In one appointment, the statement of merit criteria developed by the hiring manager clearly identified seven essential experience criteria and five essential knowledge criteria. The hiring manager only assessed four of the experience criteria and four of the knowledge criteria. Furthermore, none of the six essential personal suitability criteria were assessed by the hiring manager.

Source: Audit and Data Services Branch, Public Service Commission

6.50 We also found that merit was not met in 18% (10 out of 56) of the appointments: 14% (5 out of 35) of the advertised appointments and 24% (5 out of 21) of the non-advertised appointments. The majority of the appointments reviewed that did not meet merit were from the Quebec region. **Exhibit 3** illustrates an example where merit was not met.

Exhibit 3: Merit was not met

In one appointment, the person appointed did not meet two of the essential experience qualifications. For example, an essential qualification required recent and significant experience in providing technical and policy advice. The assessment indicated that the candidate "is working to acquire experience in order to satisfy this criterion." Also, the second essential qualification required significant experience in providing advice as part of decision-making processes. The assessment indicated that the candidate would gain this experience as part of the training for the position. This indicates that the candidate did not possess either of these essential qualifications at the time of the appointment.

Source: Audit and Data Services Branch, Public Service Commission

Assessment tools require improvement and consistency of application

- 6.51 The PSC *Appointment Policy (Assessment)* states that the assessment processes and methods used must effectively assess the essential qualifications and other merit criteria identified. We expected the assessment processes and methods used by the NPB to comply with this policy.
- 6.52 We found the following problems with the assessments for the 36 appointments that did not demonstrate merit:
 - There was no indication that all essential qualifications were assessed (31);
 - There was no indication that one or more of the other merit criteria were assessed (2);
 - There was no documented assessment (2); and
 - There was no proof of education on file, which resulted in merit not being demonstrated (1).
- 6.53 We also noted the following examples regarding deficiencies in the assessment tools reviewed:
 - The expected answers and/or behaviours were not defined or identified on the rating guide;
 - Global pass marks were used;
 - The questions developed on the rating guides did not properly assess the identified criteria; and
 - The allocation of points for similar answers was inconsistent.

Appointment values are at risk of not being respected

There are indicators of preferential treatment in almost half of the appointments

- 6.54 The core values of merit and non-partisanship remain the cornerstones of appointments to and within the public service. The process of selecting and appointing a candidate must also respect the guiding values of fairness, access, transparency and representativeness. The appointment files must contain evidence that these values were respected throughout the appointment process.
- 6.55 In 39% (22 out of 56) of appointments we reviewed, we found one or more indicators that raise the risk that preferential treatment may have been given to the person appointed.

 These appointments were characterized by the following indicators of preferential treatment:
 - The candidate occupied the position in some manner prior to the appointment;
 - The linguistic profile was tailored;
 - The candidate was provided with training in order to meet the experience factors to gain access to the appointment opportunity;
 - Prior experience at the NPB affected the appointment tenure (i.e. indeterminate instead of term) granted;
 - The asset qualifications were tailored;
 - The evolution of an employee was staged whereby the status of the employee went from casual to term employment, then to an indeterminate position;
 - The right-fit justification was tailored to match the candidate's profile;
 - The area of selection was tailored to include a preferred candidate;
 - The essential qualifications were tailored; or
 - A regulation was misinterpreted in favour of the candidate.
- 6.56 **Exhibit 4** presents an example of an appointment with indicators of preferential treatment.

Exhibit 4: Appointment with indicators of preferential treatment

An internal advertised appointment process was conducted in order to staff two positions on an indeterminate basis with a bilingual imperative requirement; as a result of the appointment process, three candidates were hired. Two of the persons appointed did not meet language requirements of the position; the language results for one person appointed had expired and the other did not meet the advertised official language proficiency.

The resulting appointments were made with linguistic profiles that were different than those advertised; one appointment was made unilingual and the other was made on a non-imperative basis.

All three persons appointed occupied the positions in an acting capacity, for periods of 10 to 12 months, prior to the appointment process being conducted.

Source: Audit and Data Services Branch, Public Service Commission

6.57 In those 22 appointment processes where we found indicators of preferential treatment that could have been given to the person appointed, 11 did not demonstrate merit; 8 did not meet merit.

Almost all rationales for non-advertised processes do not adhere to policy

- 6.58 The PSC *Appointment Policy (Choice of Appointment Process)* states that non-advertised appointments must be accompanied by a written rationale demonstrating how the process has met the established organizational criteria and the guiding values.
- 6.59 As such, 90% (19 out of 21) of the non-advertised appointments did not adhere to the policy: 3 did not have a documented rationale and 16 did not demonstrate how the non-advertised appointment met the established organizational criteria and/or the guiding values.

Recommendation 5

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

Consideration of priority entitlements requires attention

6.60 We expected that, pursuant to the PSEA, the PSER and the PSC *Appointment Policy* (*Choice of Appointment Process*), the NPB would consider priority entitlements before deciding on an appointment process.

- 6.61 We found that 80% (45 out of 56) of the appointments reviewed required the consideration of a person with priority entitlement. The remaining 11 appointments were related to acting appointments, which do not require a priority clearance as per paragraph 4(1)(b) of the PSER.
- 6.62 We found that in 6 of the 45 appointments where priority consideration was required, the essential qualifications used to obtain priority clearance from the PSC and to make the appointment decision were not the same.

Other compliance issues

- 6.63 **Notification.** We expected to find that notification was given of persons being considered for appointment, as per paragraphs 48 (1)(a) and (b) of the PSEA. The PSC *Appointment Policy (Notification)* states that notification of the names of persons being considered for appointment, and of the names of persons being proposed for appointment, or being appointed, be communicated in writing to the persons entitled to be notified. This policy applies to internal appointments, excluding acting appointments.
- 6.64 Of the 25 internal appointments reviewed, we found that three Notifications of Consideration and two Notifications of Appointment or Proposed Appointment were not issued. Not adhering to this policy places the guiding values of access and transparency at risk and denies persons with concerns the opportunity to complain or seek redress.
- 6.65 **Documentation on file.** In reviewing the appointment files, we found that attention regarding documentation requires improvement, such as but not limited to the following:
 - Proof of education was not included as part of the appointment file;
 - Documentation to support conditions of employment was incomplete;
 - Terminology used in advertisements differed between both official languages;
 - Wording was used to establish the area of selection that may have limited the access of potential applicants;
 - Assessments were incomplete or were not included in the appointment file; and
 - Proper documentation was not included to support the elimination of priority candidates from further consideration.

Recommendation 6

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

Conclusion

- 6.66 We found that the National Parole Board (NPB) did not have an appropriate framework, systems and practices in place to appropriately manage its appointment activities. At the time of the audit, the NPB did not have a corporate human resources (HR) plan, its HR support and challenge functions on staffing were insufficient, no monitoring program was implemented and data on appointments was incomplete and inaccurate.
- 6.67 We found that most of the appointments we reviewed did not comply with the *Public Service Employment Act*. Merit was not met when the person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified. Merit was not demonstrated in the majority of the appointments reviewed because assessment tools were found to be inadequate, incomplete or non-existent. Documentation supporting appointment decisions requires improvement.
- 6.68 We are concerned that the guiding values are at risk. In almost all appointments reviewed, sub-delegated managers did not address the values when choosing a non-advertised process. We also found indicators of preferential treatment in almost half of the appointments reviewed.
- 6.69 In our opinion, the level of non-compliance found during the period under review indicates that the sub-delegated managers, HR advisors and regional corporate services managers did not demonstrate a clear understanding of their roles, responsibilities and accountabilities relative to staffing.
- 6.70 During the course of the audit, the Chairperson of the NPB developed and approved a corporate HR plan including staffing strategies, modified training requirements for sub-delegation, hired additional HR advisors, and undertook a preliminary monitoring exercise. The Chairperson also indicated that action would be taken to ensure that the required training be completed.

Action taken by the Public Service Commission

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

Overall response from the National Parole Board

The National Parole Board (NPB) agrees with the recommendations of the Public Service Commission (PSC). The NPB has taken steps to ensure full compliance with the Public Service Employment Act and all related staffing policies.

Since the audit was launched in 2009, the NPB underwent significant changes within its executive ranks. A new Chairperson and Executive Vice-Chairperson were appointed in July 2009. As well, a new Executive Director General and a Manager of Human Resources were appointed.

Historically, the NPB's complement of HR (human resources) professionals has always been smaller than in other similar-sized federal organizations. As of March 2010, the NPB dedicated additional funds to the HR function to help address this issue.

Despite its resource-related challenges, the HR division nevertheless moved forward on many initiatives, including the re-instatement of its Human Resources Committee, a review of its HR instrument of delegation and certain HR policies. The Chairperson developed and approved an integrated HR plan, which included staffing strategies. In addition, staffing plans for each region and division have been completed.

In April 2010, the NPB adopted a centralized HR model, which means that all staffing files are now being managed from the national office. An HR Advisor with PSC-validated appointment framework expertise now provides advice to all sub-delegated managers in the regions and ensures that staffing files are well documented.

As the audit unfolded, the NPB took steps to improve its training for sub-delegation and the Chairperson formally set a deadline for required training. As well, additional HR Advisors were hired and a continuous learning model was introduced.

The NPB took very seriously its commitment to improving its staffing program, as evidenced by the Chairperson's request to the PSC for assistance in developing a monitoring framework and in completing the review of the staffing policies.

The NPB remains confident in the professionalism of its staff and believes that Canadians are well served by the qualified and competent public servants it employs.

About the audit

Scoping considerations

The objectives of the audit were to determine whether the NPB had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.

This audit covered the NPB's appointment framework for the period from April 1, 2008, to March 31, 2010.

All appointments, under the PSEA, made in the Quebec region and a representative sample of appointments for the remaining regions were reviewed for the period of April 1, 2008, to September 30, 2009.

For more information regarding our methodology and audit criteria, refer to the section entitled **Overview of audit approach** at the end of this publication.

Sample selection

Our sample of appointments was taken from the total appointments carried out by the National Parole Board (NPB) between April 1, 2008, and September 30, 2009. The sampling frame of the population was based on regional NPB records of appointments, and the population was stratified by region (Quebec and all other regions) and type of process (acting, advertised and non-advertised).

In the course of our audit, we conducted a risk analysis that resulted in the selection for auditing of all appointments from the Quebec region, as well as a representative sample of appointments made during the period under review from all other regions. **Table 2** below provides details of our sample size and the types of appointment processes audited. While the proportions reported are un-weighted, all results were compared to weighted estimates and no material differences were found.

Table 2: Appointments audited (sample/population)

	Quebec	Other regions	Total
Advertised	10*/10	24/108	34*/122
Non-advertised	0/0	10*/10	10*/10
Total	10*/10	34*/118	44*/132
Acting	12*/12	NA	NA

Source: Audit and Data Services Branch, Public Service Commission

Assuming a measured deviation rate of 20% or less, we can expect a confidence interval equal to or less than 10% at a confidence level of 90%. This allows for unqualified reporting of audit findings for cells marked with an asterisk.

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^{*} Marked cells have sample sizes sufficiently large for unqualified reporting.

Audit of the Canadian Grain Commission



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7 Audit of the Canadian Grain Commission

Summary

- 7.1 The Public Service Commission (PSC) has conducted an audit of the Canadian Grain Commission (CGC) to determine whether the CGC had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.
- 7.2 We found that the CGC had in place most of the elements of a framework to manage its appointment activities. The CGC's human resources plan for 2009-2010 contained more clearly defined strategies. We found variance analysis between planned and actual staffing results and an effort to align staffing strategies with the plan in both the short and long term.
- 7.3 The CGC improved their monitoring in 2009-2010. However, we found a weakness in their monitoring activities that determined whether appointment and appointment-related decisions were compliant with the PSEA.
- 7.4 As a result, appointment and appointment process compliance requires improvement. In particular, the repeated use of an incorrect assessment method in advertised appointments resulted in 31% not meeting merit and 28% not demonstrating merit. The PSC advised the CGC in 2008 to correct their assessment method, but they did not follow this advice. Overall, 20% of all appointments sampled did not meet merit and 53% did not demonstrate merit.
- 7.5 We found that 57% of the non-advertised appointment processes did not demonstrate that one or more of the guiding values were respected.
- 7.6 The CGC accepted the findings and developed an action plan to address the issues raised in the audit report.
- 7.7 The PSC will monitor the CGC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result the PSC has decided not to amend the existing delegation agreement with the Chief Commissioner of the CGC.

Background

Canadian Grain Commission

- 7.8 The Canadian Grain Commission (CGC) is a federal government agency that administers the provisions of the *Canada Grain Act* (CGA). The CGC is headed by a Chief Commissioner, an Assistant Chief Commissioner and a Commissioner who are all appointed by the Governor in Council (i.e. the Governor General acting on the advice of Cabinet). The CGC reports to Parliament through the Minister of Agriculture and Agri-Food.
- 7.9 The CGC's mandate, as set out in the CGA, is to, in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, in order to ensure a dependable commodity for domestic and export markets. The vision of the CGC is to be a leader in delivering excellence and innovation in grain quality and quantity assurance, research and producer protection.
- 7.10 As of March 31, 2009, the CGC had 649 employees; 57% were in the technical services occupational group. CGC employees conduct research and monitoring and deliver services that assure grain quality, quantity and marketability. The CGC's head office is located in Winnipeg, Manitoba, and there are three regional offices supported by 11 service centres. The regional offices are as follows:
 - Central Region, based in Thunder Bay, Ontario;
 - Eastern Region, based in Montréal, Quebec; and
 - Western Region, based in Vancouver, British Columbia.
- 7.11 During the period of this audit, the CGA was under review by Parliament. The CGC anticipated that proposed legislative changes could have resulted in a reduction of approximately one-third of its workforce, primarily affecting its grain weighers, inspectors and support staff. Although the amendments were not passed by Parliament, the CGC had to plan for this possibility, which directly impacted its human resources (HR) planning and staffing strategies.

Purpose and methodology of the audit

- 7.12 In the Public Service Commission's (PSC) Audit, Evaluation and Studies Plan for 2009-2011, the PSC stated that it would conduct this audit of the CGC. To develop this risk-based plan, the PSC reviewed the CGC's Departmental Staffing and Accountability Reports for 2007-2008 and 2008-2009. This review revealed that HR planning and monitoring (organizational accountability for results) were particularly challenging for this organization.
- 7.13 The objectives of the audit were to determine whether the CGC had an appropriate framework, systems and practices in place to manage its appointment activities and to determine whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the PSC Appointment Framework, including the appointment policy and the Appointment Delegation and Accountability Instrument signed with the PSC, the policies governing the organization and other governing authorities. The audit examined activities pertaining to the Staffing Management Accountability Framework for the period April 1, 2008 to March 31, 2010. We also examined a representative sample of appointments for the period April 1, 2008 to November 30, 2009 to determine compliance with PSEA requirements. For more details about our methodology and sampling, refer to **About the audit** at the end of this report.

Observations and recommendations

Most elements of the Appointment Framework were in place

Human resources plans have improved

- 7.14 Deputy heads are expected to ensure that appointment and appointment-related decisions made within their organizations are strategic and in line with current and future human resources (HR) requirements. We expected the Canadian Grain Commission (CGC) to have implemented HR plans with staffing strategies that were measurable against its organizational objectives and that were supported by appointment-related policies. Specifically, we expected the CGC's plans to be based on workforce analysis and intended results to enable staffing strategies to meet organizational objectives.
- HR plan, staffing strategies were described in general terms that identified the requirement to examine possible courses of action instead of providing defined and measurable actions. In 2008-2009, the CGC began formalizing its corporate risk profile. The HR plan included workforce analysis and identified potential risks. One of the greatest risks identified by the CGC was the proposed legislative changes to the *Canadian Grain Act* (CGA). If the changes had been enacted, the CGC anticipated the potential elimination of one-third of its workforce. Recruitment and succession management were also identified as top risks, although no measurable outcomes were identified.
- 7.16 We found that the 2009-2010 HR plan aligned staffing strategies with the identified risks, including more descriptive and detailed appointment strategies to address the potential impact of legislative changes and it was supported by a variance analysis between planned and actual staffing results.

Staffing strategies were aligned with operational requirements

- 7.17 We expected oversight of HR planning and mechanisms to be in place to co-ordinate appointment decisions and actions. We also expected appointment processes to respect the core values of merit and non-partisanship and the guiding values of fairness, access, transparency and representativeness.
- 7.18 In view of the impact of potential changes to the CGA, the CGC used term staffing. We found that, in 2008, to address the instability created by this practice, the CGC used non-advertised appointment processes to appoint employees from term to indeterminate status. For example, we found that managers in the Western Region appointed 24 term employees, who had six months' service or more, to indeterminate status. According to management, this action was taken to stabilize its core workforce.
- 7.19 We found that, in 2008, the CGC adjusted its recruitment strategy by increasing the amount of term and indeterminate advertised positions. By advertising the possibility of employment opportunities of various tenures, the CGC could appoint qualified applicants

on a term or indeterminate basis. This eliminated the requirement to use non-advertised appointments for indeterminate tenures and better reflected the guiding values of fairness, access and transparency in hiring processes.

Mandatory policies were in place, but one requires updating

- 7.20 We found that the CGC put in place the mandatory PSC appointment policies: Area of Selection, Corrective Action and Revocation and the Criteria for Choosing Non-Advertised Appointment Processes. The CGC Criteria on the Use of Non-Advertised Appointment Processes was not completely consistent with the PSC Choice of Appointment Process Policy, as the guiding value of representativeness was not identified. With the exception of this omission, the policies met the PSC requirements. The CGC mitigated this omission by including representativeness in its guidance template, which was used by sub-delegated managers to prepare rationales for non-advertised appointments.
- 7.21 In June 2010, the CGC committed to revise its *Criteria on the Use of Non-Advertised Appointment Processes* to reflect the value of representativeness.

Developmental program guidelines need direction on selection of participants

7.22 The CGC created a developmental program that was intended to provide cross-training and promotional opportunities for grain weighers and grain inspectors. While the developmental program was approved, we found that only draft guidelines were in place. These guidelines gave discretion to hiring managers on the methods of selection for entry into the program, which, upon successful completion, allowed participants to be promoted through non-advertised appointment processes. Since this program is a significant opportunity for career progression, the guidelines need to provide specific direction to managers in order to help ensure fairness in the selection of participants and provide greater transparency and access for employees who want to be considered for the program.

Sub-delegation was granted prior to mandatory training

- 7.23 We expected there to be processes in place to ensure that stakeholders are informed of their roles and responsibilities and have the necessary knowledge to carry out their appointment-related responsibilities. We also expected the sub-delegation of appointment authorities to comply with the *Public Service Employment Act* (PSEA) and the PSC Appointment Framework.
- 7.24 The Chief Commissioner of the CGC signed an Appointment Delegation and Accountability Instrument with the PSC, granting delegated appointment authorities. By accepting these authorities, the Chief Commissioner agreed to conduct staffing activities in a way that respected merit and the appointment values that govern the entire public service. Our audit revealed that the sub-delegation of HR authorities within the CGC has been carried out in accordance with the PSC Appointment Framework.

- 7.25 The CGC defined the roles and responsibilities and the requirements that must be met in order to obtain sub-delegation. Before managers could exercise their sub-delegated staffing authorities, they were expected to successfully complete the mandatory courses identified by the CGC. We found a weakness in the controls that allowed managers to receive letters of sub-delegation before completing the required training. In our sample, we found four letters of offer that were signed by managers who had not completed the mandatory training. The CGC's officials informed us that the sub-delegation process is being reviewed and will address this finding.
- 7.26 We found that all CGC managers were supported by only one HR advisor and one HR Coordinator, whose knowledge of the Appointment Framework had been validated by the PSC. By the fall of 2009, the complement of staff was increased by one HR Advisor, in the Eastern Region, who had been validated by the PSC, one HR Coordinator in the head office and one student.

Monitoring of appointment activities needs to improve

- 7.27 Departments and agencies are expected to monitor appointments to ensure that they respect the requirements of the PSEA and other governing authorities, policies and the Instrument of Delegation signed with the PSC. The PSC has established the Staffing Management Accountability Framework (SMAF) with indicators to determine the way in which appointment authorities should be carried out. Deputy heads are required to demonstrate to the PSC that their organization's staffing system meets the mandatory indicators identified in the SMAF.
- 7.28 Monitoring is an ongoing process of gathering and analyzing qualitative and quantitative information on current and past staffing results. This allows the CGC to assess staffing management and performance (including risk assessment related to appointments and appointment processes). It also makes it possible to identify corrective action so as to manage and minimize risk and improve staffing performance.
- 7.29 We found that all staffing requests required the CGC Executive Management Committee approval prior to proceeding with staffing. However, in 2008-2009, the CGC did not monitor its strategic staffing targets against actual performance. In 2009, the CGC initiated quarterly reviews of its divisional HR plans, which enable the development of measurable performance indicators to monitor actual and planned staffing activities. With the addition of the variance analysis of the 2009-2010 HR plan and other lessons-learned documents, the CGC now has the information available to begin documenting variances against planned staffing activities at the corporate level and take corrective action.
- 7.30 We found that the CGC developed and used staffing checklists and templates to help ensure that the individual appointment decisions were documented. We found that the HR advisor signed the checklist to validate that the appointment file was complete. Staffing process audits that Agriculture and Agri-food Canada performed on behalf of the CGC verified the presence of staffing documentation. They did not, however, verify whether the appointments respected the PSEA and other governing authorities, policies and the instrument of delegation signed with

the PSC. We found no other monitoring activities that were conducted to determine whether individual appointment and appointment-related decisions were compliant with the PSEA.

Recommendation 1

The Chief Commissioner of the Canadian Grain Commission should establish and implement a strategy to review and assess the compliance of individual appointment processes against departmental policies, PSC policies and the *Public Service Employment Act*.

Appointment and appointment process compliance needs improvement

Incorrect use of assessment methods

- 7.31 Section 30 of the PSEA establishes that appointments must 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 and, if applicable, any asset qualifications, operational requirements or organizational needs used to make the appointment decision.
- 7.32 We found that the CGC used an incorrect assessment method in advertised appointment processes. Candidates were found to be qualified if they met a minimum standard established for a group of qualifications, even if they failed an individual essential qualification within this group. This resulted in candidates who did not meet an essential qualification being appointed or placed in a qualified pool. This assessment method, commonly referred to as a global assessment, contravenes the PSEA.
- 7.33 We found that 31% (12 out of 39) of the advertised appointments did not meet merit because of the repeated use of this global assessment method.

Exhibit 1: Incorrect use of an assessment method

The statement of merit criteria used in an advertised appointment process included the ability to "accurately record test results" as an essential qualification. The candidate failed the CGC's assessment for this essential qualification and should have been eliminated from further consideration. However, the sub-delegated manager used the failed grade as part of the overall score and appointed this candidate.

Source: Audit and Data Services Branch, Public Service Commission

7.34 We also found that merit was not demonstrated in 28% (11 out of 39) of the advertised appointments as a result of this global assessment method. We found three advertised appointments where the global assessment method was used and it was determined that these appointees did meet merit.

7.35 In 2008, the CGC was advised by a regional PSC official not to use the global assessment method. The CGC was also advised by an Agriculture and Agri-Food Canada official that this was contrary to the PSEA. Officials at the CGC continued to use the global assessment method despite these concerns.

Recommendation 2

The Chief Commissioner of the Canadian Grain Commission should establish statements of merit criteria that represent the essential qualifications required for the position and each essential qualification should be assessed against its own established pass mark or grade.

Table 1: Observations concerning merit

Observations		Number of appointments by process type		Total
		Advertised	Non-advertised	
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.	12 (31%) 3 out of these 12 were global assessments	9 (24%)	21 (28%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	13 (33%) 11 out of these 13 were global assessments	27 (73%)	40 (52%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	14 (36%) 12 out of these 14 were global assessments	1 (3%)	15 (20%)
Total appointments audited		39 (100%) 26 out of these 39 were global assessments	37 (100%)	76 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Many appointments did not meet or demonstrate merit

7.36 We found that 20% (15 out of 76) of all appointments did not meet merit. In the case of advertised appointments, we found that 12 out of the 14 persons appointed did not meet merit because of the use of the global assessment method. The remaining two advertised appointments occurred when a sub-delegated manager appointed candidates who did not meet the essential language qualification. There was one non-advertised appointment where merit was not met. The appointed candidate failed to meet an essential education qualification.

Exhibit 2: Merit was not met

An advertised appointment process stated that the essential language qualification for the positions were bilingual imperative. Candidates who met the other essential qualifications were tested through Second Language Evaluation to determine whether they met the language requirement. After testing, the candidates failed to meet the essential language requirements of the position. The CGC subsequently changed the positions' language to a unilingual requirement and appointed the individuals.

Source: Audit and Data Services Branch, Public Service Commission

7.37 We found that in 53% (40 out of 76) of all the appointments made, and 73% (27 out of 37) of the appointments made through non-advertised appointment processes, we were unable to conclude whether merit was demonstrated because: there was no clear link between the qualifications and the assessment; not all qualifications were assessed; or no assessment was found on the appointment file.

Recommendation 3

The Chief Commissioner of the Canadian Grain Commission should document all assessments and appointment decisions.

Guiding values were not always reflected in non-advertised appointments

- 7.38 According to the PSC *Choice of Appointment Process Policy*, non-advertised appointments are to be accompanied by a written rationale demonstrating that the process has met the established organizational criteria and the appointment values.
- 7.39 We found that eight of the non-advertised appointments had no rationale on file. Of the non-advertised appointment processes, 57% (21 out of 37) did not demonstrate how one or more of the guiding values were respected.

Recommendation 4

The Chief Commissioner of the Canadian Grain Commission should provide non-advertised appointment rationales that respect the Canadian Grain Commission's criteria for the use of non-advertised appointment processes.

Conclusion

- 7.40 The Canadian Grain Commission (CGC) had in place most of the elements of a framework to manage its appointment activities. The CGC's human resources plan for 2009-2010 contained more clearly defined strategies. We found variance analysis between planned and actual staffing results and an effort to align staffing strategies with the plan in both the short and long term. The CGC established the mandatory appointment policies. We found that the CGC had a developmental program in place to provide cross-training and promotional opportunities for grain weighers and inspectors, but that the program guidelines needed to provide clearer direction to help ensure the fair and transparent selection of participants.
- 7.41 The CGC had processes in place to ensure that managers were informed of their roles and responsibilities and had the necessary knowledge to carry out their appointment-related responsibilities. We found a weakness in the control that allowed managers to receive letters of sub-delegation before completing the required training, resulting in four letters of offer being signed before the manager had completed the mandatory training.
- 7.42 The CGC improved their monitoring in 2009-2010. However, we found weakness in the CGC's monitoring activities that determined whether appointment and appointment-related decisions were compliant with the *Public Service Employment Act*.
- 7.43 Appointment and appointment process compliance requires improvement. In particular, the repeated use of an incorrect assessment method in advertised appointments resulted in 31% not meeting merit and 28% not demonstrating merit. The CGC was advised in 2008 to correct their assessment method, but did not follow this advice. Overall, 20% of all appointments sampled did not meet merit and 53% did not demonstrate merit. We found that 57% of the non-advertised appointment processes did not demonstrate that one or more of the guiding values were respected.

Action taken by the Public Service Commission

The PSC will monitor the Canadian Grain Commission's (CGC) follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result the PSC has decided not to amend the existing delegation agreement with the deputy head of the CGC.

Overall response from the Canadian Grain Commission

The Canadian Grain Commission (CGC) accepts the findings as outlined in the Public Service Commission's (PSC) Audit of 2010 report. The CGC has and continues to support the principle that all staffing decisions must be based on merit and that the core and guiding values of fairness, transparency, access and representativeness must be respected in all appointment-related decisions and resultant appointments to the Federal Public Service.

The CGC appreciates the acknowledgement that despite working in an uncertain environment with insufficient resources, our People Plans and Staffing Strategies have improved.

In past processes where the practice of compensatory or global assessments was utilized, the CGC applied this approach in good faith. The CGC was of the opinion that the assessment methods used supported the selection of qualified candidates who met the current and future needs of the organization. The CGC ceased the practice of compensatory or global assessment, in response to the Audit and in accordance with the Letters to Heads of HR 10-14 issued in July 2010, which addressed the issue of assessing each essential qualification and not applying a compensatory or global approach.

The CGC will implement a monitoring system which responds to specific issues identified in the Audit Report and will ensure that roles, responsibilities are clear and that controls are established to be able to respond to all elements in the Staffing Management Accountability Framework and to report on this monitoring through the Departmental Staffing and Accountability Report. These controls will adhere to the Public Service Employment Act and other governing authorities, policies and the instrument of delegation signed with the PSC.

About the audit

Scoping considerations

Our audit covers appointment activities and related decisions within the Canadian Grain Commission (CGC) for the period from April 1, 2008, to March 31, 2010. This audit had two objectives. First, to determine whether the CGC had an appropriate framework, systems and practices in place and implemented to manage its appointment activities. Second, to determine whether appointments and appointment processes within the CGC complied with the *Public Service Employment Act*; the Public Service Commission (PSC) Appointment Framework, including the appointment policy and the Appointment Delegation and Accountability Instrument signed with the PSC; the policies governing the organization; and other governing authorities.

For more information regarding our methodology and audit criteria, refer to the section entitled **Overview of audit approach** at the end of this publication.

Sample selection

The sample of appointments was taken from the total appointments carried out by the CGC between April 1, 2008, and November 30, 2009. The sampling frame of the population was based on CGC organizational human resources data and was stratified by region (head office and all other regions) and type of process (advertised and non-advertised).

Table 2 provides details of our sample size and the types of appointment processes audited. While the proportions reported are un-weighted, all results were compared to weighted estimates and no material differences were found.

Table 2: Appointments audited (sample/population)

	Head office	Other regions	Total
Advertised	19/66	20/134	39*/200
Non-advertised	17/39	20/89	37*/128
Total	36*/105	40*/223	76*/328

Source: Audit and Data Services Branch, Public Service Commission

Assuming a measured deviation rate of 20% or less, we can expect a confidence interval equal to or less than 10% at a confidence level of 90%. This allows for unqualified reporting of audit findings for cells marked with an asterisk.

^{*}Indicates that a sample estimate can be reported in an unqualified manner.

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Audit of the Public Service Labour Relations Board



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8 Audit of the Public Service Labour Relations Board

Summary

- 8.1 The objectives of the audit were to determine whether the Public Service Labour Relations Board (PSLRB) had an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA) and other governing authorities.
- 8.2 Our audit revealed that the PSLRB has developed and implemented an appropriate framework to manage its appointment activities. The PSLRB has staffing strategies and has approved a series of policies and guidelines to guide sub-delegated managers in conducting appointment activities. However, we found that the PSLRB's area of selection policy puts the guiding values of access and transparency at risk.
- 8.3 We noted that the roles and responsibilities of sub-delegated managers and human resources officials are appropriately communicated. We also found that the PSLRB conducts monitoring activities and has mechanisms in place to ensure that appointments and appointment processes are monitored and that appropriate action is taken when deficiencies are identified.
- 8.4 The PSLRB's appointments and appointment processes did not always respect the guiding values and the Public Service Commission (PSC) Appointment Framework. In 15% of the advertised appointment processes and 20% of the non-advertised appointment processes audited, we found indicators of preferential treatment. Furthermore, in 80% of the non-advertised appointment processes audited, we found that managers had not demonstrated, with a rationale, that all the guiding values had been considered.
- 8.5 The PSLRB accepted the findings and elaborated an action plan to address the issues raised in the audit report.
- 8.6 The PSC will monitor the PSLRB's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of the Public Service Labour Relations Board.

Background

Public Service Labour Relations Board

- 8.7 Established in 2005, the Public Service Labour Relations Board (PSLRB) is an independent, quasi-judicial statutory tribunal. Board members administer the legislation by holding grievance adjudication (including grievances dealing with human rights issues) and complaint hearings throughout Canada. The PSLRB also provides mediation and conflict resolution services to help parties resolve differences without resorting to a formal hearing.
- 8.8 The PSLRB is headed by a Chairperson and reports to Parliament through the Minister of Canadian Heritage and Official Languages. The PSLRB's national headquarters is located in the National Capital Region; it does not have regional offices. The PSLRB's workforce is comprised of 90 employees hired pursuant to the *Public Service Employment Act* (PSEA). In addition to these employees, PSRLB has 10 full-time and 12 part-time Governor-in-Council appointees.
- 8.9 The Public Service Commission (PSC) is responsible for the administration of the PSEA. This Act gives the PSC exclusive authority to make appointments, based on merit, to and within the public service. It further allows the PSC to delegate to organizational deputy heads its authority for making appointments. The PSC signed an Appointment Delegation and Accountability Instrument with the PSLRB delegating appointment authorities to the deputy head of the PSLRB. The deputy head had full delegation authority during the period in which our audit was conducted.

Purpose and methodology of the audit

- 8.10 This audit of the PSLRB was identified in the PSC's Audit, Evaluation and Studies Plan for 2009-2011. To develop this risk-based plan, the PSC reviewed in particular the PSLRB's Departmental Staffing and Accountability Reports for 2007-2008 and 2008-2009. This review revealed the staffing performance areas on which the PSLRB needed to improve and focus. For the 2008-2009 fiscal year, the PSC found that the PSLRB needed to improve its monitoring, more specifically with respect to staffing values and the variance between planned and actual staffing.
- 8.11 We reviewed all of the PSLRB's appointment activities and related decisions for the period of April 1, 2009, to March 31, 2010. The objectives of the audit were to determine whether the PSLRB had an appropriate framework, systems and practices in place to manage its staffing activities and to determine whether appointment activities complied with the PSEA and other governing authorities. For more details about our methodology, refer to **About the audit** at the end of this report.

Observations and recommendations

An appropriate staffing framework is in place

The Public Service Labour Relations Board has staffing strategies

- 8.12 We expected the Public Service Labour Relations Board (PSLRB) human resources (HR) plan to provide staffing strategies. A staffing strategy describes the staffing objectives and how to achieve them in terms of measurable targets and expected time frames.
- 8.13 We found that the PSLRB has an approved, multi-year strategic plan that identifies HR challenges such as the creation of a more diverse and representative workforce, recruitment at a more junior level and increase of internal progression. We also found that the PSLRB has an integrated corporate HR plan linked to the multi-year strategic plan. These documents provide managers with appropriate guidance, strategies and targets to implement their corporate and operational objectives.

Appointment policies and a staffing program have been established

- 8.14 The Public Service Commission (PSC) requires that organizations develop their own policies and criteria with respect to area of selection, corrective action and revocation and use of non-advertised appointment processes. We expected the PSLRB to have established organizational policies and criteria consistent with the policy requirements of the PSC Appointment Framework. We also expected the PSLRB to have established an appropriate staffing program for the sub-delegation of authority, and stakeholders to be informed of their roles and responsibilities.
- 8.15 During the period covered by our audit, we found a number of key documents supporting the PSLRB's staffing program. Our audit revealed that the PSLRB has developed and approved a series of policies and guidelines to guide appointment activities and practices, including the mandatory policies and criteria required by the PSC. We noted that the PSLRB *Policy on Area of Selection* has been updated to reflect the PSC's amended policy, to include national area of selection for external advertised processes. We found, however, that the PSLRB *Policy on Area of Selection* restricts the pool of potential candidates, thereby putting at risk the guiding values of access and transparency.
- 8.16 Our audit also revealed that the PSLRB's guidelines for using non-advertised processes contain unusual or incorrect criteria such as deployments, appointments following revocations as well as appointment following unsuccessful language training.
- 8.17 We found that the PSLRB has also developed other policies or guidelines to help direct staffing activities and practices. For instance, the PSLRB has developed guidelines on informal discussion that could help sub-delegated managers provide information to candidates during selection processes.

8.18 We noted that the roles and responsibilities of sub-delegated managers and HR officials are appropriately communicated. The PSLRB's organizational policies, as well as sub-delegation terms and conditions, are accessible to sub-delegated managers and HR advisors. The PSLRB has a policy and guidelines on sub-delegation of authorities that provides guidance to managers on the requirements for sub-delegation, staffing training, conditions for maintaining sub-delegation and revocation of sub-delegation authority. We also found that sub-delegated managers have access to an HR advisor whose knowledge has been validated by the PSC.

Monitoring activities are being conducted

- 8.19 We expected the PSLRB to have mechanisms in place to ensure that appointments and appointment processes are monitored and that appropriate action is taken when deficiencies are identified.
- 8.20 The PSLRB has a policy entitled *Monitoring Program of Staffing Activities*, which constitutes the mechanism adopted by the PSLRB to ensure that all staffing actions initiated by the PSLRB are conducted in accordance with the *Public Service Employment Act* (PSEA) and other legislated requirements. We found that this policy provides for the review of a certain number of appointment files to be conducted twice a year. During the period covered by this audit, the PSLRB conducted one review exercise of a number of appointment files. In addition, HR Services provides a staffing activity follow-up report to sub-delegated managers and management committee members to report on trends and observations, with a view to improve appointment decisions at the PSLRB. We also noted that monitoring activities have been documented and, where necessary, corrective actions and follow-up have been applied.
- 8.21 We also found that the PSLRB has developed and implemented a checklist to assist HR advisors and sub-delegated managers in completing their staffing actions and justifying their appointment decisions, which is consistent with the PSC's requirements.

All but one appointment met merit

- 8.22 We expected the PSLRB's appointments and appointment processes to respect the core values (merit and non-partisanship), the guiding values (fairness, access, transparency and representativeness), other PSEA requirements, the PSC Appointment Framework and any other governing authorities. We also expected the PSLRB's appointment files to contain sufficient and appropriate documentation to support selection and appointment decisions.
- 8.23 Section 30 of the PSEA establishes that appointments must 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 other asset qualifications, operational requirements or organizational needs identified in the statement of merit criteria.

8.24 In 100% (13 out of 13) of the advertised appointment processes and 80% (4 out of 5) of the non-advertised appointment processes audited, we found that merit was met. However, we found that merit was not met in 20% (1 out of 5) of the non-advertised appointment processes. **Table 1** provides a summary of our observations concerning merit for the appointments audited.

Table 1: Observations concerning merit

Observations		Number of appointments by process type		Total
		Advertised	Non-advertised	
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.	13 (100 %)	4 (80%)	17 (95%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	0 (0%)	0 (0%)	0 (0%)
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%)	1 (20%)	1 (5%)
Total appointme	nts audited	13 (100%)	5 (100%)	18 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Some appointment processes had indicators of preferential treatment

- 8.25 The process of selecting and appointing a person must respect the guiding values of fairness, transparency, access and representativeness. We expected the PSLRB's advertised and non-advertised appointment processes not to provide an advantage or preferential treatment to candidates. Indicators of preferential treatment include, for instance, evidence that:
 - The language requirements have been adjusted during the appointment process in favour of a particular candidate;
 - The essential qualifications could only be acquired on the job; and
 - The area of selection is too restrictive.
- 8.26 In 15% (2 out of 13) of the advertised appointment processes and 20% (1 out of 5) of the non-advertised appointment processes audited, we found indicators of preferential treatment. **Exhibit 1** presents an example of an appointment process with indicators of preferential treatment.

Exhibit 1: Appointment process with indicators of preferential treatment

In one non-advertised appointment process, the language requirements of the position were changed from bilingual imperative to English or French essential just prior to the appointment which facilitated the appointment of the individual. In addition, the rationale we found on file did not demonstrate any of the guiding values.

Source: Audit and Data Services Branch, Public Service Commission

Poor rationale for non-advertised appointment processes

8.27 Appointments made through a non-advertised process are required to be accompanied by a written rationale demonstrating how the process meets the organization's established criteria and the core and guiding values. In 80% (4 out of 5) of the non-advertised appointment processes audited, we found that managers had not demonstrated, with a rationale, that all the guiding values had been considered. In one of these cases, we found that appropriate advice was given by the HR advisor but was not followed by the sub-delegated manager.

Recommendation 1

The deputy head of the Public Service Labour Relations Board should provide guidance to his sub-delegated managers on how to demonstrate, with a written rationale, that all guiding values are considered when conducting a non-advertised appointment process.

Limited area of selection and area of recourse can put the guiding values at risk

- 8.28 We expected the PSLRB to establish and communicate an organizational policy that complies with the PSC's *Policy on Area of Selection*. We also expected the area of recourse for the PSLRB's internal non-advertised processes to respect the PSC's policy. As mentioned earlier, we found that the PSLRB *Policy on Area of Selection* puts the guiding values of access and transparency at risk.
- 8.29 In 23% (3 out of 13) of the advertised appointment processes and 100% (4 out of 4) of the internal non-advertised processes audited, we found that the area of selection (advertised processes) restricted the pool of potential candidates, or that the area of recourse (non-advertised internal processes) was not sufficient. This affects the guiding values of access and transparency. **Exhibit 2** presents an example of a process that puts the guiding values at risk.

Exhibit 2: Process that puts the guiding values at risk

In an advertised process, the area of selection was open only to PSLRB and National Joint Council employees in the National Capital Region (NCR). The area of selection used did not respect the guiding values of transparency and access since there is a minimal pool of potential candidates within these organizations and a large pool of potential candidates for this group and level within the federal public service in the NCR.

Source: Audit and Data Services Branch, Public Service Commission

Recommendation 2

The deputy head of the Public Service Labour Relations Board should review PSLRB's area of selection policy to ensure that guiding values are better reflected, and should continue to monitor its application.

Conclusion

- 8.30 Our audit revealed that the Public Service Labour Relations Board (PSLRB) has developed and implemented an appropriate framework to manage its appointment activities. The PSLRB has staffing strategies and has approved a series of policies and guidelines to guide sub-delegated managers in conducting appointment activities. However, we found that the PSLRB's area of selection policy puts the guiding values of access and transparency at risk.
- 8.31 We noted that the roles and responsibilities of sub-delegated managers and human resources officials are appropriately communicated. We also found that the PSLRB conducts monitoring activities and has mechanisms in place to ensure that appointments and appointment processes are monitored and that appropriate action is taken when deficiencies are identified.
- 8.32 Our audit also revealed that merit was met in all but one case. However, we found that the PSLRB's appointments and appointment processes did not always respect the guiding values and the PSC Appointment Framework. In a few of the appointment processes audited, we found indicators of preferential treatment. Furthermore, in most of the non-advertised appointment processes audited, we found that managers had not always demonstrated, with a rationale, that all the guiding values had been considered.

Action taken by the Public Service Commission

The PSC will monitor the Public Service Labour Relations Board's (PSLRB) follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of the PSLRB.

Overall response from the Public Service Labour Relations Board

The PSLRB has reviewed the audit observations and recommendations and wishes to assure you that our sub-delegated managers and HR advisors are committed to addressing the issues identified in the report in a rigorous and timely manner.

Having said that, the PSLRB is very concerned with the PSC's policy and recommendation respecting "areas of selection". The PSC's policy fails to make a distinction between small departments and agencies (SDAs) and large departments and agencies (LDAs), a distinction which TBS, the Auditor General and the Comptroller General now recognize as having significant consequences.

The recruitment of an effective workforce and their subsequent retention constitutes an important and constant preoccupation of the PSLRB. While the PSLRB is relatively small, its mandate has an inordinate impact on the public service across the country. The staff which is recruited must be engaged with the reciprocal expectation of developing a career at the PSLRB and not merely filling a temporary void. That is why the PSLRB has deliberately established a program of training and development with a view to both creating an effective and professional workforce and providing an environment where new recruits have incentive to learn, develop and advance their careers within the PSLRB.

This is a lesson which the PSLRB, and other SDAs, have learned the hard way. After spending substantial sums and a great deal of time and energy on recruiting and training, the incumbents would leave for presumably greener pastures. The principal reason for this phenomenon has been the limited ability of the PSLRB to provide career advancement opportunities to candidates through timely acting assignments and reduced areas of selection. We cannot afford to simply serve as a springboard for new recruits to make their careers elsewhere. In fact, since increasing our retention efforts in the last year by establishing organizational structures within the PSLRB that support internal employee development in the business carried out by the Board and career progression, our attrition rate has gone down from 25% to 14%.

While mindful of our obligations with respect to the PSEA's requirements governing "area of selection" and fully intend to comply, we have provided the foregoing explanation as perspective to allow a fuller comprehension of the particular dilemma faced by SDAs in carrying out their respective mandates from Parliament.

About the audit

Scoping considerations

Our audit covers appointment activities and related decisions within the Public Service Labour Relations Board (PSLRB) for the period from April 1, 2009, to March 31, 2010. This audit had two objectives. First, to determine whether the PSLRB had an appropriate framework, systems and practices in place and implemented to manage its appointment activities. Second, to determine whether appointments and appointment processes within the PSLRB complied with the Public Service Employment Act; the Public Service Commission (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument signed with the PSC; related PSLRB policies; and other governing authorities.

For more information regarding our methodology and audit criteria, refer to the section entitled **Overview of audit approach** at the end of this publication.

Sample selection

We reviewed all of the PSLRB's appointment files, excluding non-advertised processes for reclassifications, from April 1, 2009, to March 31, 2010. **Table 2** provides details of the types of appointment processes audited.

Table 2: Appointments audited

	Total
Advertised	13
Non-advertised	5
Total	18

Source: Audit and Data Services Branch, Public Service Commission

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Follow-up
Audit of the
Canadian Space
Agency



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9 Follow-up Audit of the Canadian Space Agency

Summary

- 9.1 The Public Service Commission (PSC) conducted a follow-up audit to determine whether the Canadian Space Agency (the Agency) had responded adequately to the PSC's recommendations from the May 2006 audit report.
- 9.2 We found that most appointments respected merit when the person appointed met the essential qualifications or other applicable merit criteria identified. Merit was met in the following cases: 100% of advertised appointments; 89% of non-advertised acting appointments; and 53% of other non-advertised appointments.
- 9.3 We noted that merit was not demonstrated in the following cases: 11% of non-advertised acting appointments; and 47% of other non-advertised appointments. Assessment tools and methods did not demonstrate that the person appointed met the identified requirements.
- 9.4 We found that the Agency implemented a staffing framework that ensures management leadership and accountability framework. The Agency defined the roles and responsibilities of sub-delegated managers and human resources advisors, and implemented continuous learning programs for managers and human resources advisors.
- 9.5 The Agency developed an integrated human resources plan and integrated human resources planning with the operational and business planning cycle. It also developed and implemented staffing strategies to better respond to organizational priorities.
- 9.6 The Agency implemented a staffing activity monitoring system that assesses progress in terms of expected results and actively monitors risk areas.
- 9.7 However, in the case of acting appointment processes, the Agency needs to pay special attention to the guiding values of fairness, transparency, access and representativeness.
- 9.8 The Agency accepted the findings and elaborated an action plan to address the issues raised in the audit report.
- 9.9 As a result of this follow-up audit, the PSC has removed the conditions it imposed in 2006 on the Agency's delegated appointment authorities.

Introduction

Canadian Space Agency

- 9.10 Established in March 1989, the Canadian Space Agency (the Agency) receives its authority from the *Canadian Space Agency Act*, in force since December 1990. The mandate of the Agency is "to promote the peaceful use and development of space, to advance the knowledge of space through science and to ensure that space science and technology provide social and economic benefits for Canadians." The Agency operates in highly specialized fields and has expertise at both the national and international levels.
- 9.11 The President of the Agency reports to the Minister of Industry. The Agency has a status equivalent to that of a department, and its personnel, apart from astronauts, are appointed in accordance with the *Public Service Employment Act* (PSEA). The Agency is a medium-sized organization which had 642 employees (term and indeterminate) on March 31, 2009.
- 9.12 The headquarters of the Agency is located in an area designated as unilingual French under the *Official Languages Act* with respect to the language of work. This is an unusual situation, given that English is the main language of communication in the space industry. The majority of the Agency's employees are permanent (69%). Roughly a third (31%) of its employees occupy temporary or term positions, 16% of them are hired on a contract basis or under a memorandum of understanding. The Agency does not hire casual employees. The total workforce of the Agency was 905 on March 31, 2009.
- 9.13 In May 2006, the Public Service Commission (PSC) tabled an audit report on the Agency's staffing activities. The report noted that there was a lack of leadership and accountability in human resources management and a poor understanding of the framework governing staffing activities, and that the Agency did not manage its staffing activities effectively. As a result of the 2006 audit, the PSC examined and approved all statements of merit criteria and assessment tools proposed by the Agency covering a period of more than two years.
- 9.14 The team dedicated to staffing in the Agency's Human Resources Directorate has increased significantly in recent years. In 2007-2008, it consisted of 12 people, including six human resources advisors. As of March 31, 2009, it had a complement of 18 employees, 12 of whom were in the Personnel Administration occupational group.
- 9.15 In its organizational report of December 31, 2009, the Agency indicated that it had to continue to strengthen its internal leadership and modern management capacity, and to integrate the numerous reforms underway concerning financial, risk, asset and human resources management. In order to strengthen its capacity in these areas, the President of the Agency states that it must keep its managers' knowledge and competencies current and develop modern management tools, processes and methods to bring about a cultural change and promote a more strategic vision of management.

Purpose and methodology of the follow-up audit

- 9.16 The purpose of this follow-up audit was to determine whether the Agency responded adequately to the PSC's recommendations from the May 2006 audit report.
- 9.17 The follow-up audit examined the activities pertaining to the staffing management framework from October 1, 2008 to March 31, 2010. We also examined a representative sample of 60 advertised, non-advertised and acting appointments under the PSEA from October 1, 2008 to September 30, 2009.
- 9.18 As part of our follow-up audit, we established reliance on the conclusions relating to the staffing framework in the Agency's 2008 internal audit report: *Staffing Activities and Transactions*.
- 9.19 For further information on our audit criteria and the sample of appointments, see the section entitled **About the follow-up audit** at the end of this report.

Observations

The staffing framework has been implemented

- 9.20 We found that the Canadian Space Agency (the Agency) implemented a staffing framework that ensures management leadership and accountability. In 2007, the Agency developed and implemented a staffing accountability framework, as noted in the Agency's 2008 internal audit report.
- 9.21 In January 2009, the President of the Agency signed an Appointment Delegation and Accountability Instrument (ADAI) with the Public Service Commission (PSC). A sub-delegation instrument was developed that includes conditions on the appointment-related authorities of sub-delegated managers. In January 2009, the ADAI still included conditions and restrictions on delegation at the Agency. These conditions and restrictions are imposed on the delegated authority for appointments to the executive group (EX).
- 9.22 In 2006, we reported that only the human resources advisors and certain professionals in the Human Resources Branch had sub-delegated appointment-related authorities. The President of the Agency has now sub-delegated appointment-related authorities to managers.
- 9.23 We noted that the Agency has a decision-making structure that takes a global approach to human resources management through its Executive Committee and Staffing Monitoring Committee. The members of the Executive Committee approve human resources decisions. In 2006, the Agency established the Staffing Monitoring Committee, which analyzes, recommends or makes binding decisions on cases submitted to the committee for its review, in keeping with relevant policies and guidelines.
- 9.24 In 2006, we noted that executive management and performance assessment agreements did not include any performance indicators that clearly measured human resources management commitments and expected results. The 2009-2010 performance agreements now include priorities and performance indicators specific to human resources management and staffing.
- 9.25 The Agency developed appointment policies that are mandatory according to the PSC policies. Overall, its policies meet the PSC's requirements. In addition to the mandatory policies, the Agency developed a policy on informal discussion. The Agency also included minimum areas of selection in its policy on Area of Selection. In the 26 advertised appointments examined, we noted that every area of selection had been established according to the Agency's policy. The areas of selection met the requirements of the PSC policies.
- 9.26 The President of the Agency responded adequately to our 2006 recommendation by taking concrete measures to make executives accountable for their human resources management decisions.

Roles and responsibilities are defined

- 9.27 The Agency responded adequately to our 2006 recommendation by defining the roles and responsibilities of sub-delegated managers and human resources advisors, as noted in the Agency's internal audit report. In addition, it developed service standards and a service agreement in order to support managers and human resources advisors with regard to appointment processes.
- 9.28 We noted that sub-delegated managers have access to human resources advisors who have the required expertise and whose knowledge has been validated by the Appointment Framework Knowledge Test. The passing of this test is a fundamental requirement of the ADAI.

Learning programs have been implemented

- 9.29 We found that the Agency implemented a continuous learning program for its managers. The program includes mandatory training to provide them with the knowledge needed to carry out their sub-delegated human resources management and appointment-related authorities. As of March 31, 2010, all sub-delegated managers had received the mandatory training as part of this learning program.
- 9.30 The Agency also implemented a continuous learning program for human resources advisors, enabling them to acquire and maintain staffing knowledge and skills. As of March 31, 2010, all human resources advisors had attended one or more required training sessions as part of this learning program.
- 9.31 The President of the Agency responded adequately to our 2006 recommendation by implementing continuous learning programs for managers and human resources advisors.

Staffing strategies have been implemented

- 9.32 In 2006, we observed a lack of commitment by senior management toward strategic human resources planning and management. In addition, we noted that the Agency filled positions on an ad hoc basis.
- 9.33 We noted that the Agency developed an integrated human resources plan for 2007-2010, which was approved by the Executive Committee. Each sector of the Agency submitted an integrated human resources plan and a human resources business plan for 2008-2009 and 2009-2010. We observed that the managers receive a sector profile every year and that the planning cycle is now part of the operational and financial planning cycle.
- 9.34 We noted that the Agency developed and implemented a number of staffing strategies to better respond to organizational priorities (Exhibit 1).

Exhibit 1: Examples of staffing strategies developed and implemented by the Agency

- Development of generic work descriptions and statements of merit criteria.
- Collective staffing to fill vacant Clerical and Regulatory (CR), Administrative Services (AS) and Engineering (EN-ENG) positions, and creation of pools.
- "BLITZ" project with the aim of staffing 80% of vacant positions faster, and creation of a toolbox for managers.
- Strategy and approach concerning the use of student programs.

Source: Audit and Data Services Branch, Public Service Commission

- 9.35 We noted that the Agency has improved the planning of its staffing activities. As part of our follow-up audit, we examined 60 appointments. We observed that half of the appointments were linked to the human resources plans. For the other half of the appointments, which were not planned, managers explained the variances with the help of the Short-Term Human Resources Planning Tool.
- 9.36 In addition, we noted that the Agency's Human Resources Branch does not perform, on a regular basis, an in-depth analysis of the variances between planned and actual staffing activities, for presentation to the Executive Committee. In its Departmental Staffing Accountability Summary Report for 2009-2010, the PSC also emphasizes that the Agency must pay particular attention to this matter.
- 9.37 Nevertheless, the President of the Agency responded adequately to our 2006 recommendation. He developed an integrated human resources planning with the operational and business planning cycle. The President also developed and implemented staffing strategies to better respond to organizational priorities.

A monitoring system has been implemented

- 9.38 In 2006, we noted that the Agency did not monitor its staffing activities, nor did it have a system in place to assess its staffing activities and subsequent results.
- 9.39 In 2008, the Agency's Executive Committee approved a staffing monitoring framework. The objective of the staffing management framework is to assess management staffing activities and results. The purpose of the assessment is to continuously improve the way in which sub-delegated appointment-related authorities are exercised. The monitoring framework sets out the roles and responsibilities of the President, the Executive Committee, the Staffing Monitoring Committee, managers and the Human Resources Branch.
- 9.40 The Staffing Monitoring Committee is a key component of the Agency's monitoring framework. It monitors staffing activities at risk, such as acting appointments for periods greater than 12 months and exceptional cases related to non-advertised appointment

processes. To improve the operating procedures of the Staffing Monitoring Committee, the Human Resources Branch analyzed the committee's activities from 2006 to 2009. In February 2010, the Executive Committee approved proposed corrective measures to expand the Staffing Monitoring Committee's mandate. From now on, the committee will evaluate all resourcing situations.

9.41 During the period under review, we noted that the Agency carried out other monitoring activities and implemented control mechanisms (Exhibit 2).

Exhibit 2: Monitoring activities and control mechanisms implemented by the Agency

- Checklists signed by human resources advisors to ensure that all documents needed to make appointment decisions are kept in the staffing files.
- An examination of staffing activities for the period of January 1, 2008, to September 30, 2009 by the Human Resources Branch. The irregularities identified related to a lack of documents or signatures in the staffing files.
- Automated notices to managers to remind them of deadlines for staffing activities.
- The development of a peer-review system within the Human Resources Branch to monitor staffing transactions.
- A quarterly monitoring report, presented to the Executive Committee in June 2009, on the variances between planned and actual staffing activities.

Source: Audit and Data Services Branch, Public Service Commission

9.42 The President of the Agency responded adequately to our 2006 recommendation by implementing a staffing activity monitoring system that assesses progress in terms of expected results and actively monitors risk areas.

Most appointments respect merit

- 9.43 Section 30 of the *Public Service Employment Act* (PSEA) establishes that appointments must 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 listed in the statement of merit criteria and, if applicable, any other asset qualifications, operational requirements or organizational needs identified in the statement of merit criteria.
- 9.44 The Agency's Human Resources Directorate has approved all statements of merit criteria. For the 60 appointments we examined, the statements of merit criteria related to the work to be performed by the incumbent and the education criteria were consistent with the Treasury Board Secretariat's *Qualification Standards*. Moreover, most of the statements of merit criteria included a definition for each qualification which contributed to the standardizing of assessment methods.

Table 1: Observations concerning merit

Observations		Number of appointments by process type			
		Advertised appointments	Non- advertised acting appointments	Other non- advertised appointments	Total
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.	26 (100%)	17 (89%)	8 (53%)	51 (85%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	0 (0%)	2 (11%)	7 (47%)	9 (15%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria.	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total appointments audited		26 (100%)	19 (100%)	15 (100%)	60 (100%)

Source: Audit and Data Services Branch, Public Service Commission

- 9.45 We noted that merit was met in the following cases:
 - 100% (26 out of 26) of advertised appointments;
 - 89% (17 out of 19) of non-advertised acting appointments; and
 - 53% (8 out of 15) of other non-advertised appointments.
- 9.46 We noted that merit was not demonstrated in the following cases:
 - 11% (2 out of 19) of non-advertised acting appointments; and
 - 47% (7 out of 15) of other non-advertised appointments.
- 9.47 With regard to the nine appointments in which merit was not demonstrated, in April 2010 the Agency provided further information to support candidates' assessments, establishing that merit has been demonstrated for these nine appointments. Although the corrective measures are satisfactory, our results for compliance at the time of the appointment remain the same.

The guiding values are generally respected

9.48 Acting and other non-advertised appointments. The core values of merit and non-partisanship are the cornerstones of appointments to and within the public service. As in all processes, adherence to the guiding values of fairness, access, transparency and representativeness is central to non-advertised processes. When they sign an ADAI, deputy heads are responsible for adhering to these values. According to the PSC's policy on the choice of appointment process, organizations must establish criteria for the use of non-advertised processes and make these criteria known. They must also have written rationale that demonstrates how non-advertised processes meet the criteria and adhere to the guiding values.

Table 2: Rationales for non-advertised appointment processes

	Non-advertised acting appointments	Other non-advertised appointments
Rationale for choosing a non-advertised process does not meet established organizational criteria.	5 out of 19 (26%)	3 out of 15 (20%)
Rationale for choosing a non-advertised process does not demonstrate adherence to at least one of the guiding values.	19 out of 19 (100%)	8 out of 15 (53%)

Source: Audit and Data Services Branch, Public Service Commission

- 9.49 We noted that, for 26% (5 out of 19) of the non-advertised acting appointments and 20% (3 out of 15) of the other non-advertised appointments we examined, the information on file justifying the choice of a non-advertised process did not meet the criteria established by the Agency.
- 9.50 We noted that the rationales for 100% (19 out of 19) of the non-advertised acting appointments and 53% (8 out of 15) of the other non-advertised appointments we examined did not demonstrate how at least one of the guiding values was respected.
- 9.51 According to the Agency's *Policy and Procedures on the Choice of Appointment Process and Criteria for Non-advertised Internal and External Processes*, the choice of appointment process must respect the core values and the guiding values of fairness, transparency, access and representativeness. However, the Agency failed to include the guiding value of representativeness in its Checklist for non-advertised appointment processes. We noted that 47% (9 out of 19) of the non-advertised acting appointments and 27% (4 out of 15) of the other non-advertised appointments did not address the value of representativeness. We noted that, in March 2010, the Agency amended this checklist by adding the value of representativeness.

- 9.52 In an effort to raise awareness and enable its managers, in April 2010 the Agency met with all of the managers responsible for the non-advertised appointments that were non-compliant. In most cases, the Agency considers that this exercise provided an opportunity to reinforce how the guiding values were respected in these appointments and to give managers ad hoc training on the guiding values.
- 9.53 **Advertised appointments.** We noted that the Agency has produced screening grids on which the reasons for screening out a candidate were explained in detail. The qualifications used for screening are the same as those identified in the advertisement.
- 9.54 Deputy heads may choose a candidate when that candidate is the right fit, for example, when a candidate meets certain organizational requirements or has the asset qualifications for the position. The appointment framework stemming from the PSEA requires that, for reasons of fairness and transparency, the justification for choosing a given candidate be documented.
- 9.55 The Agency has developed an effective template for determining the right fit. Overall, the managers completed this template for the advertised appointments we examined. For 23% (6 out of 26) of the advertised appointments, the choice of right fit was not based on the statement of merit criteria or the core and guiding values. In the case of these six advertised appointments, in April 2010 the Agency provided additional information in an effort to support the right fit decision.
- 9.56 Challenge function of human resources advisors. In our review of 11 of 19 non-advertised acting appointments and 9 of 15 other non-advertised appointments, we noted that documentation justifying the choice of a non-advertised process had been signed by human resources advisors, even though the appointments did not reflect all of the guiding values. In our opinion, having human resources advisors sign these documents could be an additional control mechanism as part of their challenge function. If the Agency keeps this control mechanism in place, the human resources advisors will need to ensure that the guiding values are demonstrated before signing.

Conclusion

- 9.57 The Canadian Space Agency (the Agency) responded adequately to the recommendations made in the Public Service Commission's May 2006 audit report. A staffing management framework is now in place, and the Agency has created an environment that promotes merit-based staffing.
- 9.58 However, in the case of acting appointment processes, the Agency needs to pay special attention to the guiding values of fairness, access, transparency and representativeness. Our follow-up audit also revealed that, in terms of planning of staffing activities at the Agency, the variances between planned and actual activities are not analyzed in depth.
- 9.59 In our May 2006 audit report, we expressed some concerns about the quality of staffing tools and assessment methods. We have noted a clear improvement, and the Agency is now equipped with quality tools, including statements of merit criteria, screening grids and checklists.

The Public Service Commission has removed remedial measures

As a result of this follow-up audit, the Public Service Commission has removed the conditions it imposed in 2006. The conditions for delegation and accountability are stated in the standard Appointment Delegation and Accountability Instrument, which has now been signed by the President of the Agency.

Overall response from the Canadian Space Agency

We are pleased to note the positive results of the follow-up audit led by the Public Service Commission (PSC) with regards to the steady efforts made by the Canadian Space Agency (the Agency) to meet the expectations made in the audit report published by the PSC in 2006. The report recognizes and appreciates the commitment and continuous efforts deployed by managers, the human resources directorate and by the various partners to follow up on the PSC's recommendations.

We are proud that the report recognizes the Agency's ability to create an environment that promotes merit-based staffing and the quality and efficiency of our staffing systems and practices. These include the activities of the Staffing Monitoring Committee, effective file documentation and screening and selection tools, such as the one used for the choice of candidate "right fit".

The follow-up audit also makes valuable observations and suggestions regarding the guiding values for acting appointments and a more detailed analysis of our human resources planning. The Agency will set up activities related to these observations in order to maintain and ensure its permanent commitment to the continuous improvement of its staffing regime.

About the follow-up audit

Objective of the follow-up audit

The objective of this follow-up audit was to determine whether the Canadian Space Agency (the Agency) had responded adequately to the recommendations made in the audit report published by the Public Service Commission (PSC) in May 2006.

Scope and methodology

The follow-up audit examined the activities pertaining to the staffing management framework from October 1, 2008 to March 31, 2010.

As part of our follow-up audit, we established reliance on the conclusions relating to the staffing framework in the Agency's 2008 internal audit report: *Staffing Activities and Transactions*. We analyzed documents dealing with human resources management within the Agency. We consulted the Acting Chief Executive of Internal Audit as well as human resources representatives. We did a follow-up on the Agency's internal audit management action plan as it relates to the management framework.

We also examined a sample of 60 advertised, non-advertised and acting appointments under the *Public Service Employment Act*, covering the period from October 1, 2008 to September 30, 2009. Appointments to the executive group (EX) were excluded from the audit scope.

Sample selection

Our sample of appointments was taken from the total appointments carried out by the Agency between October 1, 2008 and September 30, 2009. The sampling frame of the population was based on the Agency's human resources data and was stratified into three layers: advertised (term and indeterminate), non-advertised (term and indeterminate) and acting appointments (for periods greater than four months).

Table 3 provides details of the sample size and types of appointments audited. The sampling for all three strata was done through simple random sampling, and no weights needed to be applied for reporting estimates for each stratum.

Table 3: Appointments audited (sample/population)

	Sample/population
Advertised	26*/61
Non-advertised	15*/15
Acting (> 4 months)	19*/33
Total	60*/109

Source: Audit and Data Services Branch, Public Service Commission

Assuming a measured deviation rate of 20% or less, we can expect a confidence interval equal to or less than 10% at a confidence level of 90%. This allows for unqualified reporting of audit findings for cells marked with an asterisk.

Criteria

We expected:

- Executives (sub-delegated managers) of the Agency to be responsible and accountable for their staffing decisions;
- The roles and responsibilities of sub-delegated managers and human resources advisors to be clearly defined;
- A continuous learning program to be implemented for managers and human resources advisors;
- A strategic human resources management plan and staffing strategies to be developed; and
- A staffing activity monitoring system to be developed and implemented; and
- The Agency's appointments and appointment processes to comply with the *Public Service Employment Act*, Agency governing authorities and policies and delegation instruments signed with the PSC.

^{*} Indicates that a sample estimate can be reported in an unqualified manner.

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Overview of audit approach

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To fulfill its accountability to Parliament under the *Public Service Employment Act* (PSEA), the Public Service Commission's (PSC) Audit and Data Services Branch (ADSB) conducts independent audits on the staffing activities of individual organizations, and on government-wide issues examined in a number of departments and agencies. These audits are objective and systematic examinations that provide independent assessments of the performance and management of staffing activities. Their purpose is to provide objective information, advice and assurance to Parliament, and ultimately Canadians, on the integrity of the appointment process, including merit and non-partisanship.

Selection of audits

The PSC Audit, Evaluation and Studies Plan outlines the selection rationale of entities for audit. Key factors considered included:

- significance, materiality and importance of the entity or issue;
- auditability;
- visibility of the organization or issue, and current parliamentary or public interests;
- direction from the President of the PSC or requests by stakeholders;
- identified risks or known concerns based on oversight activities such as monitoring, investigations, audits, evaluations and studies; and
- audit cycles, availability of audit resources and coverage of issues or entities.

Objectives

Audits determine:

- whether the entity has an appropriate framework, systems and practices to manage its appointment activities; and
- if appointments and appointment processes in the department comply with the PSEA, the PSC's appointment framework including the Appointment Delegation and Accountability Instrument (ADAI) signed with the PSC, the related departmental policies, and other governing authorities.

Audit Criteria

The PSC conducted its audits based on the following five audit criteria. They are drawn from the PSEA, the Staffing Management Accountability Framework, the ADAI and other governing authorities.

1. PSEA and PSC's appointment framework

The PSC expects that departmental sub-delegation authorities and departmental policies are consistent with the PSEA requirements and the PSC's appointment framework.

2. Staffing strategies

The PSC expects that a Human Resources Plan provides staffing strategies, which are supported by appointment-related policies.

3. Capacity to deliver

The PSC expects that mechanisms are in place to ensure that stakeholders are informed of their roles and responsibilities and have the necessary knowledge to carry out their appointment-related responsibilities.

4. Monitoring

The PSC expects that mechanisms are in place to ensure that appointments and appointment processes are monitored and appropriate action is taken as needed.

5. Compliance

The PSC expects that appointment and appointment processes respect the PSEA requirements: including the core values (merit and non-partisanship) the guiding values (fairness, access, transparency and representativeness). They must also respect the PSC's appointment framework and any other governing authorities.

Follow-up Audit Criteria

The audit criteria used for a follow-up audit are the recommendations made in the initial audit report.

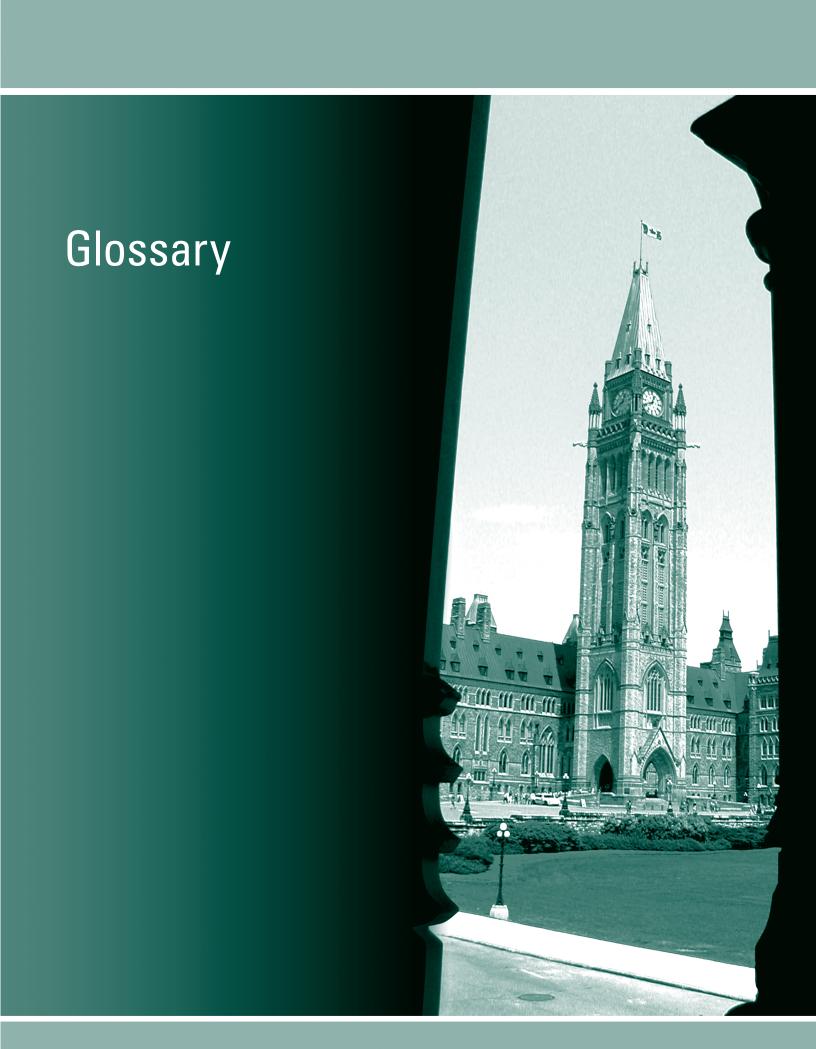
Audit Methodology

The PSC carries out a number of standard audit activities such as:

- Interviews with senior entity officials, human resources specialists, bargaining agent representatives, sub-delegated managers, and other managers involved in hiring activities;
- Reviews of the entity's documentation such as human resources plans, policies, processes and reports; and
- Reviews of entity's staffing and appointment files along with relevant documentation concerning both individual and collective appointment processes.

When conducting an audit, the PSC reviews a representative sample of appointments. The samples are designed to focus on areas of risk. Details on sample selection are provided for each audit.

Entities are informed at the outset of the audit process that the audit may result in the PSC undertaking actions that could include an investigation. During the course of an audit, consultation takes place on an ongoing basis with the Investigations Directorate of the PSC. At the time of tabling, the PSC Investigations Directorate is conducting a number of investigations as well as evaluating a number of files for possible future investigation.



Glossary

- **Aboriginal peoples** (Autochtones) As defined in the *Employment Equity Act*, persons who are Indians, Inuit or Métis.
- **Abuse of authority** (Abus de pouvoir) An intentional improper use of a power. It includes bad faith and personal favouritism.
- **Access** (Accessibilité) One of the guiding values of the *Public Service Employment Act*, it requires that persons from across the country have a reasonable opportunity to apply, and to do so in the official language(s) of their choice, and to be considered for public service employment.
- **Acting appointment** (Nomination intérimaire) The temporary appointment of an employee to another position, if the appointment on a term or indeterminate basis would have constituted a promotion.
- **Advertised appointment process** (Processus de nomination annoncé) An appointment process where persons in the area of selection are informed of and can apply to an appointment opportunity.
- **Appointment** (Nomination) An action taken to confer a position or set of duties on a person. Appointments to and within the public service made pursuant to the *Public Service Employment Act* are based on merit and non-partisanship.
- Appointment Delegation and Accountability Instrument (ADAI) (Instrument de délégation et de responsabilisation en matière de nomination IDRN) The formal document by which the Public Service Commission delegates its appointment and appointment-related authorities to deputy heads. It identifies authorities, any conditions related to the delegation and sub-delegation of these authorities and how deputy heads will be held accountable for the exercise of their delegated authorities.
- **Appointment Framework** (Cadre de nomination) Policy instruments related to appointment policy, delegation and accountability, which set out the Public Service Commission's expectations for deputy heads when designing their staffing systems to ensure that they respect legislative requirements and values guiding staffing in the public service.
- Appointment Framework Knowledge Test (AFKT) (Examen de connaissances sur le Cadre de nomination ECCN) A test developed by the Public Service Commission (PSC) to assess human resources (HR) specialists' knowledge of the PSC Appointment Framework and the related legislation. A condition of delegation is that deputy heads must ensure that those to whom authority is sub-delegated have access to HR specialists whose knowledge of the Appointment Framework has been validated by the PSC.
- **Appointment policy** (Lignes directrices en matière de nomination) A policy suite consisting of 11 policies on specific subjects that correspond to key decision points in the appointment process.

- **Area of selection** (Zone de sélection) The area of selection refers to the geographic, occupational, organizational and/or employment equity criteria that persons must meet in order to be eligible for an appointment process. (See *National area of selection*).
- **Assessment accommodations** (Mesures d'adaptation en matière d'évaluation) Changes or modifications that are made to an assessment procedure, format or content that remove obstacles arising from prohibited grounds of discrimination under the *Canadian Human Rights Act*; they do not modify the nature or level of the qualification that is being assessed.
- **Assessment methods** (Méthodes d'évaluation) Methods such as interviews, written tests, reference checks and simulations designed to assess candidates against the qualifications for the position.
- Assessment requirements (Exigences relatives à l'évaluation) Specific requirements set out in the Public Service Commission Assessment Policy to ensure that assessment processes and methods result in the identification of the person(s) who meet(s) the qualifications and other merit criteria used in making the appointment decision and provide a sound basis for making appointments according to merit.
- Asset qualifications (Qualifications constituant un atout) Qualifications, other than official language requirements, that are not essential to perform the work, but that would benefit the organization or enhance the work to be performed currently or in the future.
- Assignment (Affectation) The temporary movement of an employee at level within an organization to perform a set of duties or functions of another existing position or to take on a special project. An assignment is an administrative measure that is not an appointment or a deployment, and it cannot constitute a promotion or extend an employment period. The employee continues to be the incumbent of their substantive position while on assignment.
- **Audit** (Vérification) An objective and systematic examination of activities that provides an independent assessment of the performance and management of those activities.
- **Barrier** (Obstacle) Physical obstacles, policies, practices or procedures that restrict or exclude persons in designated groups or those protected by the *Canadian Human Rights Act* from employment-related opportunities in the federal public service.
- Casual employment (Emploi occasionnel) A short-term employment option to hire a person. Under the *Public Service Employment Act* (PSEA), a casual worker cannot work more than 90 working days in one calendar year in a given organization, with the exception of the Office of the Chief Electoral Officer, where, in certain circumstances, the maximum period is 165 working days in one calendar year. Other provisions of the PSEA, including the merit requirement and eligibility for internal appointment processes, do not apply to casual workers.
- **Classification** (Classification) The occupational group, sub-group (if applicable) and level assigned to a person or a position.

- Collective staffing process (Processus de dotation collective) An approach that allows for one appointment process to fill several similar positions within or between departments and agencies.
- **Corrective action** (Mesures correctives) Action taken to correct an error, omission or improper conduct that affected the selection of the person appointed or proposed for appointment; or action taken to address situations in which an employee has engaged in an inappropriate political activity.
- **Departmental Staffing Accountability Report (DSAR)** (Rapport ministériel sur l'obligation de rendre compte en dotation RMORCD) A periodic report provided by each organization subject to the *Public Service Employment Act* to the Public Service Commission (PSC) concerning the management and results of the organization's staffing; provided in response to questions from the PSC, which are based on the Staffing Management Accountability Framework and the appointment values.
- **Deployment** (Mutation) The movement of a person from one position to another in accordance with Part 3 of the *Public Service Employment Act*. A deployment does not constitute an appointment. It cannot be a promotion and cannot change the tenure of employment from specified term to indeterminate. A person who is deployed is no longer the incumbent of their previous position.
- **Designated groups** (Groupes désignés) As defined in the *Employment Equity Act*, women, Aboriginal peoples, persons with disabilities and members of visible minorities.
- Employee (Fonctionnaire) A person employed in the part of the public service to which the Public Service Commission has the exclusive authority to make appointments. Casual and part-time workers are not employees. For the purposes of political activities, it also includes persons employed in the following organizations: Canadian Institutes of Health Research, Financial Transactions and Reports Analysis Centre of Canada, Canada Revenue Agency, Parks Canada Agency, the National Film Board of Canada and the Public Service Staffing Tribunal.
- Entity audits (Vérifications d'entités) Entity audits cover the staffing activities and issues of individual government departments and agencies. Generally, the objectives of these audits are to determine whether an organization has the appropriate framework, systems and practices in place to manage its staffing activities and to determine whether staffing activities complied with the *Public Service Employment Act*, other governing authorities and policies and the instrument of delegation signed with the Public Service Commission (PSC). The PSC may make recommendations to deputy heads and heads of agencies in its audit reports and conduct follow-up audits to ensure that the organization has taken the corrective actions prescribed to resolve the issues raised.
- **Essential qualifications** (Qualifications essentielles) Qualifications that are necessary for the work to be performed and that must be met in order for a person to be appointed.

- Exclusion Approval Orders (EAO) (Décrets d'exemption) These orders allow for the exclusion of person(s) or position(s) or class of persons or positions from the application of some or all of the provisions of the *Public Service Employment Act* (PSEA), where the Public Service Commission (PSC) decides that it is neither practicable nor in the best interests of the public service to apply the PSEA or any of its provisions. An EAO requires the approval of the Governor in Council, and is generally accompanied by Governor in Council regulations, made on the recommendation of the PSC, prescribing how the excluded position(s) or person(s) are to be dealt with.
- **Executive Group** (Groupe de la direction) An occupational group providing leadership to the public service. It consists of five levels (EX-1 to EX-5).
- **External appointment process** (Processus de nomination externe) A process for making one or more appointments in which persons may be considered, whether or not they are employed in the public service.
- **Fairness** (Justice) One of the guiding values of the *Public Service Employment Act*, it requires that decisions be made objectively and free from political influence and personal favouritism; policies and practices reflect the just treatment of persons; and persons have the right to be assessed in the official language(s) of their choice in an appointment process.
- **Fiscal year** (Exercice financier) April 1 to March 31, for the federal public service.
- Follow-up audits (Vérifications de suivi) As a result of its audits, the Public Service Commission (PSC) makes recommendations to departments and agencies for improvement in their staffing systems and practices. The PSC may also remove or impose conditions on the delegation of staffing authority. It monitors the implementation of the recommendations and conducts follow-up audits. In those situations in which the PSC has imposed conditions on the delegation of staffing authority, it proceeds with follow-up audits when the results of the monitoring activities indicate that significant improvements have been made and the organization may be in a position for the PSC to remove those conditions.
- Government-wide audits (Vérifications pangouvernementales) Government-wide audits cover cross-cutting issues and staffing activities across several departments and agencies. The Public Service Commission may, when appropriate, base its conclusions on a sample of organizations. Government-wide audits provide independent assessments of the performance and management of staffing activities in organizations subject to the *Public Service Employment Act*. They provide objective information, advice and assurance to Parliament and, ultimately, to Canadians on the integrity of the appointment process in the federal public service.
- **Human resources planning** (Planification des ressources humaines) A process that identifies an organization's current and future human resources needs and the objectives and strategies planned to meet these needs.

- **Imperative appointment** (Nomination impérative) The requirement that the person appointed to a bilingual position meet the language requirements of the position at the time of appointment.
- **Indeterminate (permanent) employment** (Emploi pour une période indéterminée emploi permanent) Employment of no fixed duration, whether part-time, full-time or seasonal.
- **Informal discussion** (Discussion informelle) The opportunity for a person eliminated from consideration in an internal appointment process to discuss the decision informally before an appointment is made.
- **Internal appointment process** (Processus de nomination interne) A process for making one or more appointments in which only persons employed in the public service may be considered.
- **Inventory** (Répertoire) A repository of persons who have responded to an advertisement and meet the registration condition(s); however, they are usually not yet assessed.
- **Investigation** (Enquête) An inquiry into concerns or allegations related to appointment processes or into allegations of improper political activities of employees.
- **Language requirements of the position** (Exigences linguistiques du poste) The designation of a public service position, by the deputy head, as bilingual or unilingual, according to the following categories: bilingual, English essential, French essential or either English or French essential.
- **Members of visible minorities** (Membres des minorités visibles) As defined in the *Employment Equity Act*, persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.
- Merit (Mérite) One of the core values of the *Public Service Employment Act*. An appointment is made on the basis of merit when a person to be appointed meets the essential qualifications of the work to be performed, as established by the deputy head, including official language proficiency. Any current or future asset qualifications, operational requirements, and organizational needs as identified by the deputy head may also be considered.
- **Merit criteria** (Critères de mérite) For the purpose of determining merit for appointments made pursuant to the *Public Service Employment Act*, the four types of criteria are essential qualifications, asset qualifications, organizational needs and operational requirements.
- Monitoring and feedback (Surveillance et rétroaction) The Public Service Commission (PSC) monitors trends and activities to identify government-wide issues and practices that could pose a risk to the integrity of the staffing system. This monitoring includes a wide range of activities, such as data analysis and review of complaints.

The PSC also monitors the performance of the public service organizations that have delegated appointment authorities to assess the general state of the system. The PSC assesses their staffing performance and provides feedback to deputy heads to ensure continuous improvement in the public service appointment system.

The PSC uses the Staffing Management Accountability Framework (SMAF) to review and assess staffing performance and to provide feedback to delegated organizations. The SMAF sets out the PSC's expectations for a well-managed appointment system that respects the *Public Service Employment Act*.

- **National area of selection (NAOS)** (Zone nationale de sélection ZNS) Refers to the use of a geographic criterion in an area of selection that includes persons residing in Canada and Canadian citizens residing abroad.
- **Non-advertised appointment process** (Processus de nomination non annoncé) An appointment process that does not meet the criteria for an advertised appointment process.
- Non-imperative appointment (Nomination non impérative) An indeterminate appointment to a bilingual position that the deputy head has identified as not requiring a person who meets the required level of language proficiency at the time of appointment. Individuals appointed as a result of a non-imperative appointment either meet the language requirements at the time of appointment, agree to attain the required level of language proficiency within two years of the date of appointment or are exempted from meeting the language requirements of the position on medical grounds or as a result of their eligibility for an immediate annuity within two years of appointment.
- Non-partisanship (Impartialité politique) One of the core values of the *Public Service Employment Act*, it is essential to a professional public service and responsible democratic government, and ensures that appointments and promotions to and within the public service are based on merit and free from political influence. It supports the capacity and willingness of employees to serve governments, regardless of political affiliation. It enables employees to provide objective policy advice and administer programs and services for Canadians in a politically impartial manner.
- **Notification** (Notification) The two-step requirement to provide, in writing, the name(s) of the person(s) being considered for appointment, known as Notification of Consideration, and the name of the person being appointed or proposed, known as the Notification of Appointment or Proposal of Appointment, to persons in the area of selection who participated in an advertised internal appointment process and to all persons in the area of selection for a non-advertised internal process.
- **Occupational group** (Groupe professionnel) A grouping used for classification, comprising similar kinds of work requiring similar skills.

- **Operational requirements** (Exigences opérationnelles) A merit criterion that relates to current or future requirements of the organization for the proper functioning of the work unit or the organization (such as work done on weekends, travel, shift work).
- **Organizational needs** (Besoins organisationnels) A merit criterion relating to current or future needs that could enhance the way in which the organization operates or fulfills its mandate. Organizational needs could include the consideration of employment equity designated group members.
- **Organizations** (Organisations) In this report, the term «organizations» refers to federal government departments and agencies subject to all or part of the *Public Service Employment Act*.
- **Personal favouritism** (Favoritisme personnel) Involves an inappropriate action or behaviour by a public servant who, by using knowledge, authority or influence, provides an unfair advantage or preferential treatment to a current employee or to a candidate for employment in the public service.
- **Persons with disabilities** (Personnes handicapées) As defined by the *Employment Equity Act*, persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who consider themselves to be disadvantaged in employment by reason of that impairment, or who believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment. The definition includes persons whose functional limitations resulting from their impairment have been accommodated in their current job or workplace.
- **Political activity** (Activité politique) As defined by Part 7 of the *Public Service Employment Act*, political activity includes carrying on any activity in support of, within or in opposition to a political party; carrying on any activity in support of or in opposition to a candidate before or during an election period; or seeking nomination as or being a candidate in a federal, provincial, territorial or municipal election before or during the election period.
- **Political influence** (Influence politique) Interference in the appointment process, it could include, but is not limited to, interference by the office of a minister or a Member of Parliament.
- Priority entitlement (Droit de priorité de nomination) The right to be appointed to positions ahead of all other persons if the essential qualifications are met. There are three types of statutory priorities under the *Public Service Employment Act* (surplus employees appointed within their own organization, employees on leave of absence whose positions have been backfilled indeterminately or their replacements, and persons laid off, in that order) and six regulatory priorities under the *Public Service Employment Regulations* (in no particular order: surplus employees appointed outside their own organization; employees who become disabled; members of the Canadian Forces who are medically released and members of the Royal Canadian Mounted Police who are medically discharged; employees on approved leave to relocate with their spouse or common-law partner; employees with entitlement to

- be reinstated to their former group/level; and surviving spouses or common-law partners of employees, members of the Canadian Forces and members of the Royal Canadian Mounted Police whose death is attributable to the performance of duties).
- **Priority Information Management System (PIMS)** (Système de gestion de l'information sur les priorités SGIP) The Public Service Commission's Web-based tool that helps to ensure that entitlements to a priority in appointment are observed, as mandated by the *Public Service Employment Act* and the *Public Service Employment Regulations*.
- **Priority person** (Bénéficiaire de priorité) A person who has an entitlement under the *Public Service Employment Act* or the *Public Service Employment Regulations*, for a limited period, to be appointed ahead of all others to vacant positions in the public service. To be appointed, the person must meet the essential qualifications of the position.
- **Public service** (Fonction publique) As defined by the *Public Service Employment Act*, the positions in or under the departments named in Schedule I to the *Financial Administration Act* (FAA), the organizations named in Schedule IV to the FAA and the separate agencies named in Schedule V to the FAA.
- Public Service Staffing Tribunal (PSST) (Tribunal de la dotation de la fonction publique –TDFP)
 An independent, quasi-judicial body established under the *Public Service Employment Act*, its mandate is to deal with complaints related to internal appointments, selection for lay-off, implementation of corrective measures ordered by the Tribunal and revocation of appointments. The Tribunal conducts hearings and provides mediation services in order to resolve these complaints.

Recruitment (Recrutement) – Hiring from outside the public service.

Representativeness (Représentativité) – One of the guiding values of the *Public Service Employment Act*, it requires that appointment processes be conducted without bias and do not create systemic barriers to help achieve a public service that reflects the Canadian population it serves.

Resourcing (Ressourcement) – External and internal appointment activities.

- Second language evaluation (SLE) (Évaluation de langue seconde ELS) Language tests administered by the Public Service Commission to determine the second official language proficiency of employees and applicants. Includes reading, writing and oral interaction tests that assess the applicants' ability to read, write and speak and understand their second official language in a work context.
- **Specified term employment** (Emploi pour une durée déterminée) Employment of a fixed duration, whether full-time or part-time.

- Staffing Management Accountability Framework (SMAF) (Cadre de responsabilisation en gestion de la dotation - CRGD) - The SMAF sets out expectations for a well-managed appointment system that enables ongoing monitoring of delegated authorities and reporting to the Public Service Commission. It serves as the basis for measuring key success factors, the achievement of results and respect for the appointment values.
- **Studies** (Études) Studies are conducted to enhance understanding of the staffing system, draw attention to potential staffing issues, and to identify lessons learned and good practices. Since they address issues that need clarification or are of particular interest to Parliament and the public, studies are largely exploratory in nature, bringing together a range of methodologies to explore these topics. While normally more descriptive than audits, studies can both provide guidance to other oversight functions on ways to assess these topics in the future and help improve policies on appointment processes related to these topics.
- **Sub-delegated manager** (Gestionnaire subdélégué) A person to whom a deputy head has sub-delegated, in writing, the authority to exercise specific appointment and appointmentrelated authorities that have been delegated to the deputy head by the Public Service Commission.

Tenure (Durée d'emploi) – The period of time for which a person is employed.

Transparency (Transparence) – One of the guiding values of the *Public Service Employment Act*, it requires that information about strategies, decisions, policies and practices be communicated in an open and timely manner.

Women (Femmes) – An employment equity designated group under the *Employment Equity Act*.