



National  
Defence

Défense  
nationale

Chief Review Services Chef - Service d'examen

CRS  CS Ex

## Review of Staffing Modernization and Delegation

June 2005

7055-55 (CRS)



Canada 

## NOTICE OF CAVEAT TO THE READER

This review was conducted as part of the approved Branch Work Plan. The review conclusions do not have the weight of an audit and must not be regarded as such. While sufficient to enable the development of recommendations for consideration by management, the assessments provided, and conclusions rendered, are not based on the rigorous inquiry and evidence required of an audit.



## SYNOPSIS

*This report presents the results of a review of the implementation of Staffing Modernization and Delegation within the Department of National Defence (DND). With the passage of the Public Service Modernization Act (PSMA), all federal government departments and agencies are required to implement the provisions of the new legislation (at different stages) by 2005. The PSMA was created to promote a balanced approach to achieving many important objectives in human resources (HR) modernization. The actual Act consists of four distinct parts that address the following areas: facilitating the staffing process; encouraging more collaborative labour-management relations; focusing on employee learning; and, clarifying central agency roles and accountability. The section relevant to this review, the Public Service Employment Act (PSEA), calls for wide-ranging staffing reform by the “Coming Into Force” (CIF) date of 01 December 2005. With the implementation of the new PSEA, a revised definition of merit will be adopted; staffing delegation to the lowest level of management will become possible; and, there will be a greater linkage between staffing and HR planning which should bring more flexibility into staffing processes.*

*Due to the significance of the new legislation and the implications for departments, Chief Review Services (CRS) conducted a review to assess DND’s readiness to take advantage of the provisions of the PSMA as it pertains to staffing and staffing delegation (i.e., the section related to the PSEA). In the main, this involved consideration of the measures being taken by the Assistant Deputy Minister (Human Resources-Civilian) ADM(HR-Civ) Group to guide and manage the set of initiatives/ “project” to implement the pertinent changes within the Department. From the outset of the review, the CRS team wanted to ensure that the ADM(HR-Civ) organization would be debriefed in a timely manner. Planning for the review was initiated in February 2005, review work was completed by April 2005, and results were debriefed by May 2005 – approximately seven months in advance of the PSEA CIF date of 01 December 2005.*

*It was found that overall, a reasonable level of planning has been carried out by the ADM(HR-Civ) organizations responsible for the PSEA implementation. There is a great deal of work involved in implementing the staffing changes legislated by the new PSEA. However, the degree of complexity has been made more manageable in that DND does not intend to delegate staffing to the lowest level of management by the CIF date. Assuming that draft DND PSEA project plans are executed as intended, and that CRS review recommendations are given timely attention, there are no early warning signs to suggest that this project will go off-course. Recommendations focus on improvements to management of the project, such as clearly defining a critical path, consistent tracking of actual progress against plans, and identifying interdependencies and linkages. It has been particularly stressed that the PSMA/PSEA implementation teams should strengthen the approach to Risk Management.*

**Management Action Plans:** *PSMA/PSEA is clearly a priority within the ADM(HR-Civ) organization. This is reflected in the constructive management action plans provided in response to the recommendations of this review. These actions should strengthen existing draft plans and enhance the management of the “project”, thereby reinforcing progress toward successful results.*



## TABLE OF CONTENTS

<b>RESULTS IN BRIEF .....</b>	<b>I</b>
Introduction/Background.....	I
Overall Assessment.....	I
Key Results .....	II
Recommendations.....	III
Management Action Plans.....	IV
<b>BACKGROUND .....</b>	<b>1</b>
<b>OBJECTIVE, SCOPE AND METHODOLOGY .....</b>	<b>3</b>
<b>DETAILED RESULTS AND RECOMMENDATIONS.....</b>	<b>4</b>
A. Risk Management Practices .....	4
B. Management Practices .....	6
C. Information for Decision-Making .....	10
<b>OTHER RELATED AREAS OF IMPORTANCE .....</b>	<b>12</b>
<b>ANNEX A – RECOMMENDATIONS AND MANAGEMENT ACTION PLANS .....</b>	<b>A-1</b>
<b>ANNEX B – PSMA OVERVIEW .....</b>	<b>B-1</b>
<b>ANNEX C – ADM(HR-CIV) ORGANIZATIONAL CHART .....</b>	<b>C-1</b>
<b>ANNEX D – CRITERIA LISTED BY TB AUDIT GROUPINGS AND CROSS-REFERENCED TO COCO .....</b>	<b>D-1</b>
<b>ANNEX E – LIST OF ACRONYMS AND ABBREVIATIONS .....</b>	<b>E-1</b>



## RESULTS IN BRIEF

### INTRODUCTION/BACKGROUND

In April 2001, the Government of Canada (GoC) announced its intent to modernize Human Resources (HR) Management and a Parliamentary task force was created to lead this reform. In February 2003, the work of this task force resulted in the tabling of the *Public Service Modernization Act* (PSMA). The PSMA was passed by Parliament in November 2003 and represents the most significant HR legislation since the 1960's. The main purpose of the Act is to facilitate hiring the right people (i.e., staffing), to encourage more collaborative labour-management relations, to focus on learning and training for employees at all levels, and to clarify central agency roles and accountability<sup>1</sup>. The PSMA is divided into four main parts. The *Public Service Employment Act* (PSEA) is the section of the PSMA legislation related to staffing and staffing delegation, and was the focus of this review.

As the GoC's largest department, with an annual budget of approximately \$15 billion, and combined human resources of approximately 100,000 (~ 20,000 civilians), the Department of National Defence and the Canadian Forces (DND/CF) represent a significant percentage of federal government employment and spending. Therefore, the effective management of its human capital, including the successful implementation of the PSMA, is of strategic importance to the Department.

Due to the significance of this new legislation and the potential departmental impact, Chief Review Services (CRS) conducted a review to assess the readiness of the Department to implement the provisions of the PSMA as it relates to staffing and staffing delegation. The review was included as part of the CRS 2004/05–2005/06 Work Plan. The purpose of the review was to determine whether adequate project plans were in place for DND to implement the legislated staffing changes of the PSMA by the "Coming Into Force" (CIF) date of 01 December 2005. Planning for the review commenced in February 2005, review work was completed by April 2005, and results were debriefed in May 2005.

### OVERALL ASSESSMENT

The review determined that overall, at this stage in the project, a reasonable level of planning has been carried out by the Assistant Deputy Minister (Human Resources-Civilian) (ADM(HR-Civ)) staff responsible for the PSEA implementation. PSMA/PSEA is clearly a priority within the ADM(HR-Civ) organization. Although there is a great deal of work involved in implementing the staffing changes legislated by the new PSEA, the overall complexity is significantly reduced as it is *not* DND's intention to delegate staffing to the lowest level of management by the CIF date of 01 December 2005.

---

<sup>1</sup> Public Service Human Resources Management Agency of Canada, Public Service Modernization Act, [http://www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp\\_e.asp](http://www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp_e.asp).



Assuming that existing draft DND PSMA/PSEA project plans are executed as intended and that CRS review recommendations are implemented in a timely manner, there are no early warning signs that this project will go significantly off-course. Due to the timing of the CRS review (March/April 2005) and briefings to the ADM(HR-Civ) Offices of Primary Interest (OPIs) on the review results (May 2005) in relation to the PSEA CIF date, it is assumed that adequate time (~ 7 months) exists to implement identified corrective actions.

## KEY RESULTS

In general, more disciplined and rigorous approaches to project management are needed, such as clearly defining a critical path, consistent tracking of actual progress against plans, and identifying interdependencies and linkages. In particular, the PSMA/PSEA project teams (e.g., Human Resource Legislation Implementation (HRLI) team and working group (WG)) should adopt a more formal/structured approach to Risk Management. This information also needs to be more clearly communicated and reported to senior management for decision-making purposes.

Training on the new staffing regime to DND managers will not likely be completed by the PSEA CIF date due to sheer volume of managers. Training for HR officers however, is expected to be completed by that time. Although this is an accepted risk due to current ADM(HR-Civ) resource limitations, training is a key component to end user acceptance and existing draft training plans must be strengthened. The recruiting of required incremental ADM(HR-Civ) resources, such as regional staff for training and corporate staff for policy development, continues to be a challenge for DND and the GoC as a whole, and could adversely affect the implementation of the PSEA.

A summary scorecard displaying the CRS Review Results is presented below in Table 1. As mentioned previously, the CRS review was conducted at an early stage of the project's implementation in order to allow sufficient time for the ADM(HR-Civ) organization to implement corrective actions if required. If this same review were to take place at a later stage in the project (e.g., fall 2005) with the same results, the CRS review team would have rated the risk levels significantly higher. The risk level represents the impact to the PSEA implementation schedule (i.e., the CIF date of 01 December 2005) of not having met the stated criteria. Each of the criteria listed in the table below are also individually presented in the Detailed Results and Recommendations section of this report.



Table 1 – Summary Scorecard of Review Results

REVIEW CRITERIA BY TB GROUPING	RISK LEVEL
<b>RISK MANAGEMENT PRACTICES</b>	
Objectives and Scope	Low
Staffing Delegation Options	Med
Monitoring	Low/Med
Risk Management	Med
<b>MANAGEMENT PRACTICES</b>	
Roles and Responsibilities	Low
Human Resources Management	Med/Hi
Project Management	Low/Med
Tracking Progress	Med
DND Policies and Guidance	Med
Communications Processes	Low
GoC-level Involvement	Low
<b>INFORMATION FOR DECISION-MAKING</b>	
Cost Tracking and Reporting	Low/Med
Information Provided to Decision-Makers	Med

## RECOMMENDATIONS

It is recommended that the ADM(HR-Civ):

- **Develop a risk management plan**, including a risk registry consolidating risks for the PSEA implementation. Identify, assess, prioritize, monitor and follow-up on risks. Prepare risk mitigation plans and identify a risk manager for the overall project.
- **Implement a mechanism to track progress against plans**, flag late items, and develop corrective actions. Incorporate this information, along with any missing key activities, into the Readiness Reports or in an alternative document provided to senior management in order to assist with decision-making.



- **Review draft DND PSMA/PSEA project plans** (i.e., the PSMA Global Implementation Plan, PSEA MS Project Plan, PSEA list of new policies, and PSEA Action Plans (e.g., Training, Consultation, Communications Plans)) to include any missing key activities, interdependencies and to strengthen reporting of actual progress against milestones.
- **Clarify cost tracking and reporting requirements.** Issue guidance regarding the type of costs to be tracked and the corresponding Financial and Managerial Accounting System (FMAS) (DND's financial management and accounting system) reporting structure. Make adjustments to the PSEA Budget accordingly.
- **Clarify roles and responsibilities** for the main PSEA OPIs (e.g., Director General Civilian Employment Strategies and Programmes (DGCESP), Director General Learning and Professional Development (DGLPD), Director General of Regional Civilian Human Resources Services (DGRCHRS), ADM(HR-Civ) Comptroller). Update the HRLI Team Terms of Reference (TORs) as required.
- **Further develop options for delegating staffing authorities** to DND managers and supplement these options with a cost model to perform sensitivity analysis by individual Level 1s (L1s) and across DND.
- **Continue efforts to fill incremental PSMA/PSEA personnel resources** identified in the Business Case.

## MANAGEMENT ACTION PLANS

Actions have already been initiated to address the recommendations included in this report. These actions should serve to strengthen existing draft plans and to ensure that more disciplined and rigorous approaches to project management are adopted by the PSMA/PSEA project implementation teams. This should result in achieving an increased level of diligence in the management of the project and in increasing the likelihood of successfully meeting the PSEA CIF date. Recommendations and corresponding management action plans are presented in matrix format at Annex A of this report have also been summarized in the table below.





Table 2 – Summary of Management Action Plans

Serial	CRS Recommendation	OPI(s)	Management Action
A.	<b><u>Risk Management:</u></b> Develop a risk management plan, including a risk registry consolidating the risks for PSEA implementation. Identify, assess, prioritize, monitor and follow-up on risks. Prepare risk mitigation plans and identify a risk manager for the overall project.	DGLRC/ DGCESP	<b>Agree.</b> DGLRC is the identified Risk Manager for this portion of the project. A risk registry for the PSEA implementation is being developed to identify, assess, prioritize, monitor and follow up on risks.
B.	<b><u>Information for Decision-Making:</u></b> Implement a mechanism to track progress against plans, flag late items, and develop corrective actions. Incorporate this information, along with any missing key activities, into the Readiness Reports.	DGLRC	<b>Agree.</b> The PSEA Project Implementation Plan (PIP), an existing planning tool, is being modified to track high-level progress, flag items of concern and develop corrective actions. Senior management will continue to be alerted to PSEA implementation issues via regular briefing decks.
C.	<b><u>PSMA/PSEA Project Plans:</u></b> Review PSMA/PSEA Project Plans to include any missing key activities, interdependencies and to strengthen reporting of actual progress against milestones.	DGCESP/ DGLRC/ DGRCHRS	<b>Agree.</b> We are consolidating our internal reporting vehicles by using a revised PSEA PIP. This tool (PIP) is being updated to include additional information.
D.	<b><u>Cost Tracking and Reporting:</u></b> Clarify cost tracking and reporting requirements. Issue guidance regarding the type of costs to be tracked and the FMAS reporting structure. Make adjustments to the PSEA Budget accordingly.	COS ADM (HR-Civ)	<b>Agree.</b> Internal Orders (IOs) were established early in the process to capture direct costs. ADM(HR-Civ) Chief of Staff (COS) Comptroller has provided additional guidance on cost capturing and reporting. Budget re-alignment will occur, if necessary, after each Quarter is analyzed.
E.	<b><u>Roles and Responsibilities:</u></b> Clarify roles and responsibilities for the main PSEA OPIs. Update the HRLI Team TORs as required.	DGLRC	<b>Agree.</b> The Working Group's terms of reference and the mandate of the HRLI team are under review.
F.	<b><u>Staffing Delegation:</u></b> Further develop options for delegating staffing authorities to DND managers and supplement these options with a cost model to perform sensitivity analysis by individual L1s and across DND.	DGCESP	<b>Partially agree.</b> The pace for delegation will be determined by L1s' readiness to assume increased delegation and our ability to absorb the cost of training delegated managers. We are also preparing criteria for L1s to use in making decisions about their readiness to assume greater delegation that include use of a cost model for developing cost estimates tailored to each L1.
G.	<b><u>Incremental PSMA Resources:</u></b> Continue efforts to fill incremental PSMA personnel resources identified in the Business Case.	ADM (HR-Civ)	<b>Agree</b> with recommendation. Efforts will continue to: Attract additional people, secure additional staff to fill funded positions, and retain or manage the risk of losing valuable people as the workload pressures increase.



## BACKGROUND

### ***Public Service Modernization Act***

Canada's new PSMA will have profound impact on HR management within the GoC. The PSMA was created to promote a balanced approach to achieving many important objectives of HR modernization.

The PSMA is divided into four main parts, each with separate CIF dates:

- Part I: The *Public Service Labour Relations Act* (PSLRA);
- Part II: Amendments to the *Financial Administration Act* (FAA);
- Part III: The *Public Service Employment Act* (PSEA); and
- Part IV: Amendments to the *Canadian Centre for Management Development Act* (CCMDA).

For information on the different parts of the PSMA, please see the following website [http://www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp\\_e.asp](http://www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp_e.asp) and Annex B.

### ***Public Service Employment Act***

The new PSEA is designed to facilitate the hiring process by providing increased flexibility to departments and agencies, while remaining fair, transparent and accessible. The PSEA's new approach to merit will allow managers to consider not only the essential qualifications of positions, but also the current and future needs of their own organization and of the public service. Furthermore, the new PSEA allows staffing to be delegated to the lowest possible level of management. While this type of delegation is *recommended* by the Act, it is *not mandatory*. Within DND, staffing will *not* be delegated to the lowest possible level of management by the CIF date of 01 December 2005. DND's goal is to have a staffing delegation strategy developed by this date and approved by Senior Executive Management. Additional information on the legislated changes related to the new PSEA is provided at Annex B.

### ***DND's PSMA Project Implementation Team***

In order to manage and coordinate the overall departmental implementation of all the different parts of the PSMA (i.e., the PSLRA, the PSEA, the FAA, etc.), DND established the HRLI team within the ADM(HR-Civ) organization. The HRLI team is the focal point for PSMA implementation in DND and coordination with central agencies. In addition to this team, the HRLI WG was created to ensure adequate representation from all ADM(HR-Civ) Director Generals (DGs). This WG meets monthly and is a forum for communications, coordination and integration between the different sub-teams involved in the PSMA implementation. With the recent achievement of the PSLRA implementation (CIF date: 01 April 2005), the HRLI team and WG has now shifted focus to the



implementation of the PSEA. The key participants in the implementation of the PSEA, from a contents perspective, are the Director General Civilian Employment Strategies and Programmes (DGCESP) and the Directorate of Civilian Employment Policies (DCEP) who have responsibility for the Department's staffing policy framework. A complete listing of ADM(HR-Civ) key participants in the departmental PSEA implementation is presented at Annex C.



## OBJECTIVE, SCOPE AND METHODOLOGY

### OBJECTIVE

The objective of the review was to assess the readiness of DND to implement the PSMA *staffing legislative changes* by the CIF date of 01 December 2005.

### SCOPE

The scope of the review included the provisions of the PSMA (i.e., Part III – the new PSEA) as it relates to staffing and staffing delegation. The review focused on whether adequate project plans were in place, at an early stage in the project, for DND to successfully implement the PSEA by the CIF date. The scope of the review excluded a review of the effectiveness of the new staffing regime (i.e., from an outcomes perspective), as this could only be completed post-implementation.

### METHODOLOGY

- Gathered and reviewed departmental information on the PSMA/PSEA as well as relevant GoC policies and documents.
- Conducted interviews with key ADM(HR-Civ) personnel involved in the PSMA/PSEA implementation. Key project team members interviewed by the CRS review team are highlighted in the ADM(HR-Civ) organizational chart provided at Annex C.
- Developed review criteria and performed a risk assessment based on the criteria and factoring in the stage of the project. Relevant criteria were first selected from the Criteria of Control (CoCo)<sup>2</sup> Framework and were then categorized by Treasury Board (TB) Internal Audit Policy groupings as follows:
  - Risk Management Practices;
  - Management Practices; and
  - Information for Decision-Making.
- A detailed listing of CoCo Criteria, categorized by the above TB Internal Audit groupings, is provided at Annex D.

---

<sup>2</sup> The CoCo Framework was developed by the Criteria of Control Board, charged by The Canadian Institute of Chartered Accountants (CICA) Board of Governors with issuing guidance on designing, assessing and reporting on the control systems of organizations. (Extracted from *Guidance on Control*, published by the Criteria of Control Board, November 1995.)



## DETAILED RESULTS AND RECOMMENDATIONS

### A. RISK MANAGEMENT PRACTICES

*Risk management enables the development of proactive strategies to mitigate potential problems through the identification, analysis, evaluation, treatment, and monitoring of risk. Four different criteria were assessed in the Risk Management Practices grouping: Objectives and Scope, Staffing Delegation Options, Monitoring, and Risk Management. Review results are presented in the tables below including corresponding recommendations where applicable.*

Review Criteria	Risk Level	Assessment
<b>Objectives and Scope:</b> <i>Clearly communicated and well understood.</i>	Low	<ul style="list-style-type: none"> <li>The objectives and scope of PSMA/PSEA implementation have been well communicated by Senior Management and are understood by the project team. However they are not as well communicated to other stakeholders such as DND middle managers (&lt; L2) outside of the HR-Civ community.</li> </ul>

Review Criteria	Risk Level	Assessment
<b>Staffing Delegation Options:</b> <i>Main assumptions are documented and communicated.</i>  <i>Delegation options are adequately assessed.</i>	Medium	<ul style="list-style-type: none"> <li>DND is not assuming that delegation to the lowest level of management will occur by CIF. Rather, the goal is to have an approved staffing delegation strategy and plan by the CIF date.</li> <li>Delegation options have been documented at a high-level and have been presented to the HRLI project team and to HR-Civ Senior Management. Options lack detailed analysis of potential impact and costs, which should be performed in order to select the most effective option.</li> <li>Delegation options were to be presented to the Deputy Minister (DM) in May 2005 before selecting a preferred option and prior to conducting a more thorough analysis including consultation with L1s.</li> </ul>

#### RECOMMENDATION

**Further develop options** for delegating staffing authorities to DND managers and supplement these options with a cost model to perform sensitivity analysis by individual L1s and across DND.



**A. RISK MANAGEMENT PRACTICES (continued)**

Review Criteria	Risk Level	Assessment
<b>Monitoring:</b> <i>A framework is in place for periodic assessment of control.</i>  <i>Objectives and related plans include measurable performance targets.</i>	<b>Low/Med</b>	<ul style="list-style-type: none"> <li>Early drafts of the New Monitoring Framework and Reports exist but require much more development. Some lessons-learned from the old monitoring reports is that file review is not sufficient and that more activities such as interviews are required to obtain a broader view. Feedback from managers who currently have delegated staffing authorities indicated that they had seen little evidence of formal departmental monitoring and that a formalized monitoring system needs to be in place to review staffing processes.</li> <li>Specific measures to support staffing monitoring indicators have not yet been provided by central agencies. There are differing views within ADM(HR-Civ) regarding monitoring requirements.</li> <li>Objectives and plans include performance measures and indicators but they are difficult to objectively measure as they are qualitative in nature rather than quantitative. Time to staff positions is the only quantitative measure being tracked and reported.</li> </ul>

Review Criteria	Risk Level	Assessment
<b>Risk Management:</b> <i>A risk management strategy is in place to identify potential risks.</i>  <i>Appropriate risk management practices are followed.</i>	<b>Medium</b>	<ul style="list-style-type: none"> <li>There is no formal risk management (RM) process in place for the overall PSMA project. RM activities such as monitoring, mitigation, and follow-up should be more diligently applied.</li> <li>Risks are identified in a variety of different documents but have not been consolidated in a single document (i.e., a risk registry).</li> <li>There is little evidence that the risks have been prioritized, assessed in detail, or that risk mitigation strategies have been developed and are being followed.</li> <li>Although formal RM techniques are not being used, informal risk management is occurring on the project. For example, using lessons learned from the recent PSLRA implementation and on-going delegated environments (pilots) for the PSEA implementation; planning for summer leave so it does not affect deliverables and overall project timelines; and using the HRLI WG for good project communication.</li> </ul>

**RECOMMENDATION**

**Develop a risk management plan**, including a risk registry consolidating all the risks for the PSEA implementation. Identify, assess, prioritize, monitor and follow up on risks. Prepare risk mitigation plans and identify a risk manager for the overall project.



## B. MANAGEMENT PRACTICES

Management Practices are established to provide control and structure within an organization. Seven different criteria were assessed in the Management Practices grouping: Roles and Responsibilities, HR Management, Project Management, Tracking Progress, DND Policies and Guidance, Communications Processes, and GoC-level involvement. Review results are presented in the tables below including corresponding recommendations where applicable.

Review Criteria	Risk Level	Assessment
<b>Roles and Responsibilities:</b> <i>Clearly defined and understood.</i>	Low	<ul style="list-style-type: none"> <li>Overall, roles and responsibilities for PSMA OPIs at corporate and regional levels are documented, clearly defined and understood. However, specific roles and responsibilities for the PSEA OPIs and the HRLI team require updating now that the Department's focus has shifted from the PSLRA implementation to the PSEA implementation.</li> <li>There is an appropriate HR governance structure in place that supports the achievement of project objectives. Roles and responsibilities of the HR governance committees are clearly defined and appropriate project leadership is exercised through these committees.</li> </ul>

### RECOMMENDATION

Clarify roles and responsibilities for the main PSEA OPIs (e.g., DGCESP, DGLPD, DGRCHRS, ADM(HR-Civ) Comptroller). Update the HRLI Team Terms of Reference (TORs) as required.

Review Criteria	Risk Level	Assessment
<b>HR Management:</b> <i>A HR Plan for the PSMA implementation is in place. Adequate resources are available to support the achievement of objectives.</i>	Med/High	<ul style="list-style-type: none"> <li>An HR Plan for the PSMA project does not exist but incremental resources required for PSMA/PSEA implementation have been identified by HR-Civ L2s (DGs) and have been documented in the ADM(HR-Civ) L1 Business Plan.</li> <li>The HRLI project team is fully staffed with OPIs/OCIs identified in each area. However, the HR-Civ organizational capacity to implement the PSEA is insufficient over the mid to longer term. HR-Civ staff members have been temporarily re-allocated to ensure that key positions are filled in the short term but without additional resources, PSEA implementation is at risk.</li> </ul>

### RECOMMENDATION

Continue efforts to fill incremental PSMA personnel resources identified in the Business Case.



**B. MANAGEMENT PRACTICES (continued)**

Review Criteria	Risk Level	Assessment
<b>Project Management:</b> <i>Adequate project plans are in place to guide the PSEA implementation.</i>	<b>Low/Med</b>	<p>Draft plans for all key areas are in place for the project. However, there are many opportunities for strengthening them. For example:</p> <ul style="list-style-type: none"> <li>Some key activities on the HRLI Global Implementation Plan (GIP) appear to be missing such as PSMA cost tracking and reporting and transition planning from the old regime to new regime. Linkages, deliverables and costs are part of the Inter-dept Generic Project Plan template but are not being used by DND.</li> <li>The detailed MS Project plan that DCEP has developed is not being used as effectively as possible – e.g., resources are not assigned to each task, the critical path is not clearly identifiable, and there is no project baseline.</li> <li>A PSEA draft training strategy and plan has been developed. However, many of the details are not yet defined (e.g., timeframes, total training days/manager, method of delivery etc.). Training is a key component of end-user acceptance and at this stage more details should be available.</li> </ul>

**RECOMMENDATION**

At the operational level, **review draft DND PSMA/PSEA Project Plans** (including the PSMA Global Implementation Plan, PSEA MS Project Plan, PSEA list of new policies, and PSEA Action Plans (e.g., Training, Consultation, Communications Plans)) to include any missing key activities, interdependencies and to strengthen reporting of actual progress against milestones.





**B. MANAGEMENT PRACTICES (continued)**

Review Criteria	Risk Level	Assessment
<p><b>Tracking Progress:</b>  <i>Project objectives and milestones are on track.</i></p> <p><i>A mechanism is in place to flag late items and to develop corrective actions (if required).</i></p>	<b>Medium</b>	<ul style="list-style-type: none"> <li>In general, actual progress against plans is not being diligently or consistently tracked and reported. There is no mechanism in place to flag late items, to assess the impact of delays to the overall project schedule, or to develop corrective actions (if required) to get the project back on course. Key milestones are not clearly identifiable and progress is not reported against them. However, DCEP is making progress in this area.</li> <li>The only potential “showstopper” in meeting the PSEA CIF date of 01 December 2005 is the Public Service Staffing Tribunal (PSST) guidance on recourse. Although DND is still waiting for some decisions to be made such as funding and selecting a preferred option for staffing delegations to managers, these should not affect the CIF date. Central Agencies have recently provided final guidance/policies so there are no longer any major concerns in this area.</li> </ul>

Review Criteria	Risk Level	Assessment
<p><b>DND Policies and Guidance:</b>  <i>Draft policies and guidance exist and are designed to comply/align with Central Agency policies and guidance.</i></p>	<b>Medium</b>	<ul style="list-style-type: none"> <li>The most critical final policies and guidance have recently been provided by the PSC (mid/late March 2005). DND policies and guidelines exist in draft format and overall, are in compliance/alignment with the final PSC Appointment Policy.</li> <li>Draft plans are in place to update existing staffing directives and tools (old regime) and to create new staffing policies and guidelines required under the new regime. However, the actual status of the documents (or stage of development) is not part of the plan. It is also not clear which documents currently exist and require updating versus those that need to be created.</li> <li>As noted in the prior criteria (Tracking Progress), PSST guidance on recourse could affect the CIF date if not received by September 2005. For some less urgent areas, draft DND and central agency policies and guidelines do not yet exist.</li> </ul>



**B. MANAGEMENT PRACTICES (continued)**

Review Criteria	Risk Level	Assessment
<b>Communications Processes:</b> <i>Communications and consultation plans are in place.</i>  <i>Key stakeholders and users are adequately informed and consulted.</i>	Low	<ul style="list-style-type: none"> <li>There are draft versions of PSEA communications and consultation strategies and action plans. However, the plans should be further developed to show the status of each activity, the required completion date, and the OPI per task.</li> <li>There is a good communication process among stakeholders at the HR-Civ corporate and regional levels. For example, HRLI WG meets monthly, PSMA is on the agenda at the Human Resources Management Team (HRMT) meetings, DGLRC has weekly bi-lateral meetings with ADM(HR-Civ), and the regional staffing Subject Matter Experts (SMEs) have a monthly conference call.</li> <li>Plans are also in place to consult key stakeholders (external to HR-Civ organization such as union management and DND managers).</li> </ul>

Review Criteria	Risk Level	Assessment
<b>GoC-level involvement:</b> <i>There is an appropriate level of DND representation and engagement at GoC-level discussions.</i>	Low	<ul style="list-style-type: none"> <li>DND is well-represented and engaged at all levels of GoC discussions. The majority of PSMA/PSEA OPIs are members of GoC interdepartmental working groups.</li> <li>There is a mechanism to raise, address, and resolve DND-specific issues to central agencies and to feedback this information to DND impacted groups through these interdepartmental working groups.</li> </ul>



### C. INFORMATION FOR DECISION-MAKING

*In order for Senior Executive Management to make effective decisions, timely, relevant, complete and accurate information, providing the appropriate context, must be readily available to them. Two main criteria were assessed in the Information for Decision-Making grouping: Cost tracking and Reporting and Information Provided to DND Decision-Makers. Review results are presented in the tables below including corresponding recommendations where applicable.*

Review Criteria	Risk Level	Assessment
<b>Cost tracking and Reporting:</b> <i>A departmental process to track and report PSMA related costs is in place, communicated and followed.</i>	<b>Low/Med</b>	<ul style="list-style-type: none"> <li>▪ The scope of the project has been well defined but it has not been fully costed. Missing costs include: the salary and time of existing ADM(HR-Civ) staff devoted to the PSEA implementation (e.g., for FY 2005/06, DCEP effort ~ \$800K); HR-Civ staff and DND managers' time involved in taking PSEA training; the impact of changing information systems for monitoring requirements etc.</li> <li>▪ Actual costs will be comparable against the budget but only for those costs that have been included in the HR-Civ Business Plan and PSMA Business Case.</li> <li>▪ There is a mechanism set-up to track and report costs using the departmental financial system (FMAS); however, limited guidance has been developed or communicated to RC managers and PSMA/PSEA OPIs to ensure consistency across regions and corporate HR groups.</li> <li>▪ There are differing views among PSMA/PSEA OPIs in regards to the OPI for reporting costs.</li> </ul>

#### RECOMMENDATION

**Clarify cost tracking and reporting requirements.** Issue guidance regarding the type of costs to be tracked and the FMAS reporting structure. Make adjustments to the PSEA Budget accordingly.



## C. INFORMATION FOR DECISION MAKING (continued)

Review Criteria	Risk Level	Assessment
<b>Information provided to DND decision-makers:</b> <i>PSEA project information is timely and accurate; adequate to compare project progress against plans; and sufficient to provide appropriate context to make decisions.</i>	<b>Medium</b>	<ul style="list-style-type: none"> <li>▪ “Readiness Reports” are the main tool to communicate information to DND Senior Management and to Central Agencies. The Readiness Report captures key activities and assesses readiness as a percentage of completion (e.g., at risk, 25 per cent, 50 per cent, 75 per cent, 100 per cent).</li> <li>▪ In its current form, this tool does not sufficiently provide DND decision-makers with adequate information.</li> <li>▪ Specifically: <ul style="list-style-type: none"> <li>- There is no consistent definition of the level of completion – e.g., what does 25 per cent completion mean?</li> <li>- DND plans (e.g., the PSEA MS Project Plan) are not being used as a basis to determine readiness levels – it is more of a “gut” feel.</li> <li>- There is also no way of determining if 25 per cent is good or bad in relation to DND’s plans – e.g., should DND be at 50 per cent versus 25 per cent?</li> <li>- Some key activities are also missing from the Readiness Reports – e.g., the readiness of DND’s information systems to handle new reporting and monitoring requirements.</li> </ul> </li> </ul>

**RECOMMENDATION**

At the strategic level, **implement a mechanism to track progress against plans**, flag late items, and develop corrective actions. Incorporate this information, along with any missing key activities, into the Readiness Reports or in an alternative document provided to Senior Executive Management.



## OTHER RELATED AREAS OF IMPORTANCE

In addition to the issues presented in the Detailed Results and Recommendations section of this report, a few other related areas of importance warrant attention. These issues are broader than project management and simply meeting the minimum requirements of the PSEA CIF date. They are integral to the successful implementation of the PSEA with respect to achieving the flexibilities envisioned by the new legislation.

Human Resource Planning (HRP) will become increasingly important as the PSEA is implemented. Integrated HR Planning and Business Planning is the foundation for assessing and understanding current and future HR needs of the Department. In the new staffing regime, HR Plans will form the basis for initiating and defending staffing decisions. While the ADM(HR-Civ) organization has initiated efforts in aligning these two processes, it is important that this alignment be continuously developed and monitored to ensure that any lack of integration within the Department does not impact on overall goal achievement.

The integration between PSEA and other Departmental priorities is also of prime importance. The Chief of the Defence Staff recently revealed his vision for the Canadian Forces early on in 2005. Balancing the significant change involved in the Modernization of Human Resources with the Transformation and Modernization of the Canadian Forces will be challenging for the entire Department and should be kept on the radar by the ADM(HR-Civ) organization and the PSMA/PSEA project teams.

Lastly, it is important to note that the entire Public Service (all departments and agencies of the GoC) is currently preparing for the implementation of the PSEA in order to meet the same CIF date of 01 December 2005. This is making skilled HR resources scarce across the whole of government. Competition for talent with other government departments will only intensify in an increasingly tight labour market and will make acquiring much-needed resources increasingly challenging for ADM(HR-Civ).

While there are no easy solutions to these broad issues, ADM(HR-Civ) should ensure that these issues are recognized in their Risk Management plans and that corresponding Risk Mitigation plans be developed as appropriate.



## ANNEX A – RECOMMENDATIONS AND MANAGEMENT ACTION PLANS

Serial	CRS Recommendation	OPI(s)	Management Action
A.	<b><u>Risk Management:</u></b> Develop a risk management plan, including a risk registry consolidating all the risks for the PSEA implementation. Identify, assess, prioritize, monitor and follow up on risks. Prepare risk mitigation plans and identify a risk manager for the overall project.	DGLRC/ DGCESP	<p><b>Agree</b> with recommendation.</p> <ul style="list-style-type: none"> <li>DGLRC, in her role as overall project manager for PSMA, is the identified Risk Manager for this portion of the project.</li> <li>A risk registry for the PSEA implementation is being developed to identify, assess, prioritize, monitor and follow up on risks. This registry will become a standing item for review at our HRLI WG meetings and at HRMT meetings. The example of “Consolidated List of Risks” provided by CRS will be used as a model.</li> <li>While the DND PSMA GIP and the Public Service HR Management Agency of Canada (PSHRMAC) Readiness Assessment were used with some success to manage the implementation of PSLRA and to assess risks, it is agreed that a more formalized approach is required for the implementation of PSEA.</li> </ul>
B.	<b><u>Information for Decision-Making:</u></b> Implement a mechanism to track progress against plans, flag late items, and develop corrective actions. Incorporate this information, along with any missing key activities, into the Readiness Reports or in an alternative document provided to Senior Executive Management.	DGLRC	<p><b>Agree</b> with recommendation.</p> <ul style="list-style-type: none"> <li>The PSEA PIP, an existing planning tool, is being modified to track high-level progress, flag items of concern and develop corrective actions.</li> <li>Senior management (HRMT, Civilian Human Resources Committee (CHRC), Civilian Human Resources Planning and Coordination Committee (CHRPCC), etc.) will continue to be alerted to PSEA implementation issues via regular briefing decks.</li> <li>The PSHRMAC “Readiness Assessment” must continue to be used for reporting to PSHRMAC.</li> <li>The GIP and tailored briefing decks have been the primary mechanisms to brief senior management on the progress of PSMA, and particularly PSLRA, implementation. “Readiness Assessment” is not a suitable vehicle for briefing senior management although we must continue to use it for reporting to PSHRMAC.</li> </ul>



## ANNEX A

Serial	CRS Recommendation	OPI(s)	Management Action
C.	<b>PSMA/PSEA Project Plans:</b> Review the PSMA Global Implementation Plan, PSEA MS Project Plan, PSEA list of new policies, and PSEA Action Plans (e.g., Training, Consultation, Communications Plans) to include any missing key activities, interdependencies and to strengthen reporting of actual progress against milestones.	DGCESP/ DGLRC/ DGRCHRS	<p><b>Agree</b> with recommendation.</p> <ul style="list-style-type: none"> <li>As indicated above we are consolidating our internal reporting vehicles by using a revised PSEA PIP.</li> <li>This tool (PIP) is being updated to include action plans for other OPIs in addition to DCEP, to include any missing key activities, to provide a high level overview for senior management, a detailed assessment for project OPIs, clear statements of actual progress against milestones and overall summaries of our current state of readiness.</li> </ul>
D.	<b>Cost Tracking and Reporting:</b> Clarify cost tracking and reporting requirements. Issue guidance regarding the type of costs to be tracked and the FMAS reporting structure. Make adjustments to the PSEA Budget accordingly.	COS ADM (HR-Civ)	<p><b>Agree</b> with recommendation.</p> <ul style="list-style-type: none"> <li>DGCESP, DGLPD and DGLRC established IOs early in the process to capture direct costs associated with PSMA implementation.</li> <li>ADM(HR-Civ)COS Comptroller has provided additional guidance to corporate and regional OPIs on cost capturing and reporting of direct and indirect costs.</li> <li>Budget re-alignment will occur, if necessary, after each Quarter is analyzed.</li> </ul>
E.	<b>Roles and Responsibilities:</b> Clarify roles and responsibilities for the main PSEA OPIs (e.g., DGCESP, DGLPD, DGRCHRS, ADM(HR-Civ) Comptroller). Update the HR Legislation Implementation (HRLI) Team Terms of Reference (TORs) as required.	DGLRC	<p><b>Agree</b> with recommendation.</p> <ul style="list-style-type: none"> <li>The Working Group's terms of reference and the mandate of the HRLI team are under review. We have already added DGCESP and the COS Comptroller to the membership of the HRLI Working Group.</li> <li>While the HRLI Working Group Terms of Reference served us well in the run up to PSLRA implementation, the post April focus is now on PSEA implementation and the time is right for a review not only of the Working Group's terms of reference but also the mandate of the HRLI Working Group.</li> </ul>



## ANNEX A

Serial	CRS Recommendation	OPI(s)	Management Action
F.	<b>Staffing Delegation:</b> Further develop options for delegating staffing authorities to DND managers and supplement these options with a cost model to perform sensitivity analysis by individual L1s and across DND.	DGCESP	<p><b>Partially agree</b> with recommendation.</p> <ul style="list-style-type: none"> <li>It must be recognized that further delegation will be a long-term process. The pace will be determined by L1s' readiness to assume increased delegation and our ability to absorb the cost of training delegated managers.</li> <li>We are also preparing criteria for L1s to use in making decisions about their readiness to assume greater delegation that include use of a cost model for developing cost estimates tailored to each L1.</li> <li>Based on this, we have selected a preferred option for recommendation to the DM that will be further refined as necessary.</li> </ul>
G.	<b>Incremental PSMA Resources:</b> Continue efforts to fill incremental PSMA personnel resources identified in the Business Case.	ADM (HR-Civ)	<p><b>Agree</b> with recommendation.</p> <ul style="list-style-type: none"> <li>The Department is still hopeful that the Business Case we presented to PSHRMAC in February will provide us with additional resources to assist in our current policy development work and in our training efforts later this year.</li> <li>An interdepartmental working group on Transition has made some potentially useful suggestions as to how departments could cope with the overall HR capacity issue. These suggestions will be considered carefully.</li> <li>Efforts will continue to: <ul style="list-style-type: none"> <li>Attract additional people;</li> <li>Secure additional staff to fill funded positions; and</li> <li>Retain or manage the risk of losing valuable people as the workload pressures increase.</li> </ul> </li> </ul>





## ANNEX B – PSMA OVERVIEW

**Table A: Four main parts of the PSMA**

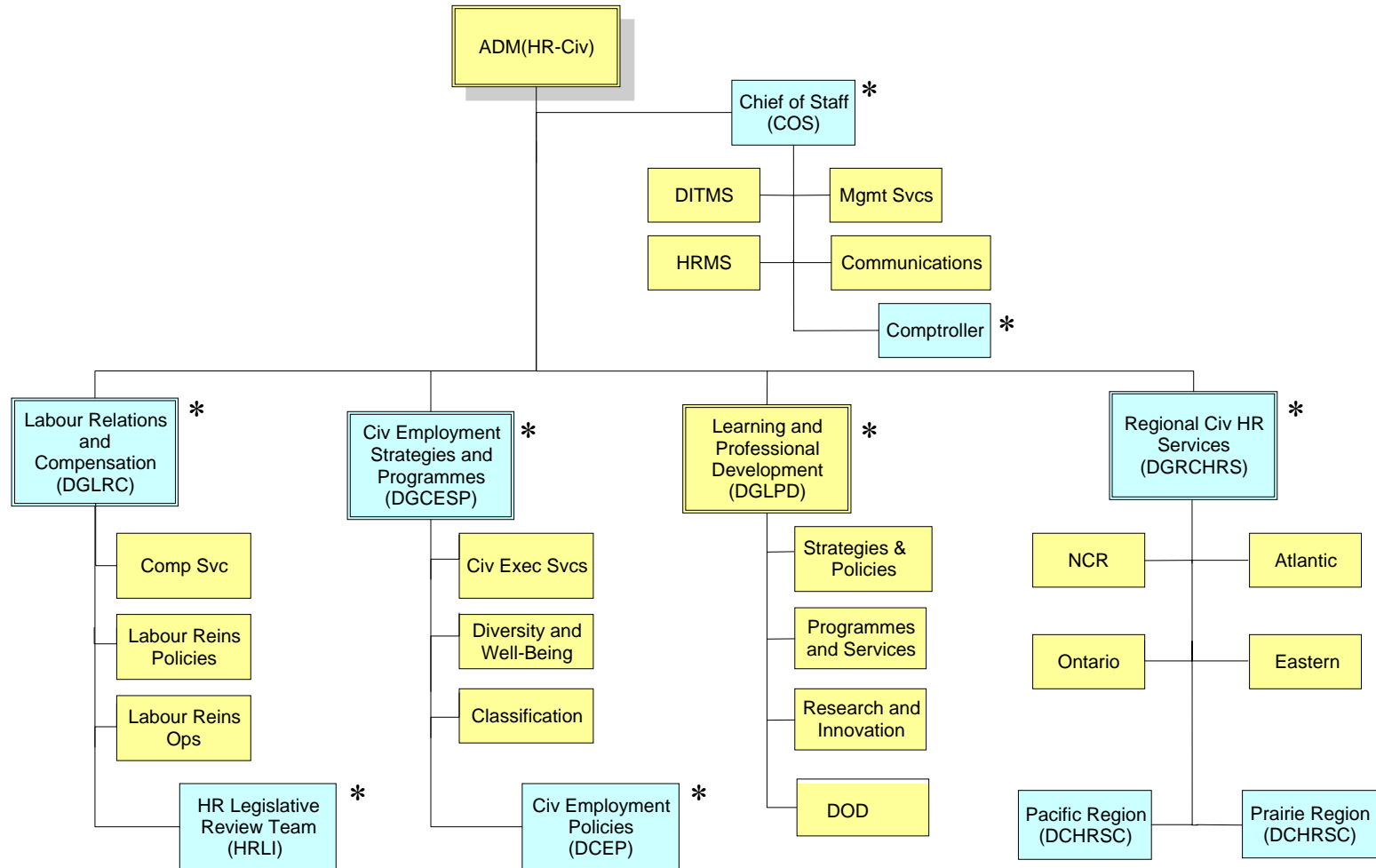
PSMA	Summary Description	Coming Into Force
Part I: PSLRA	Replaces <i>Public Service Staff Relations Act</i> . Emphasizes greater cooperation and consultation with unions.	01 April 2005
Part II: FAA	Amends FAA and makes Deputy Heads directly responsible for certain aspects of HR Management.	01 April 2005
<b>Part III: PSEA</b>	<b>Significantly amends existing PSEA. Intent is to modernize staffing and provide more flexibility.</b>	<b>01 December 2005</b>
Part IV: CCMDA	Amends CCMDA and creates the Canada School of Public Service to integrate and better coordinate training.	01 April 2004

**Table B: Overview of Part III: PSEA – New Regime compared to the Old Regime**

PSEA: What's IN at Coming Into Force (New Regime)	PSEA: What's OUT at Coming Into Force (Old Regime)
<input type="checkbox"/> New legislation is enabling versus prescriptive	<input type="checkbox"/> PSC no longer involved in several policy areas (e.g., promotions)
<input type="checkbox"/> New definition of merit based on current or future operational requirements	<input type="checkbox"/> Current approach to merit (no more ranking on basis of “best” qualified)
<input type="checkbox"/> “Asset” & “Essential” qualifications	<input type="checkbox"/> “Compensatory” and “non-compensatory” qualifications no longer used
<input type="checkbox"/> Greater linkage between staffing process and HR Planning	
<input type="checkbox"/> Staffing delegation to the lowest level of mgmt is possible ( <u>not</u> mandatory)	
<input type="checkbox"/> Informal discussion during the selection process	
<input type="checkbox"/> Staffing complaints or recourses presented at the PSST	<input type="checkbox"/> No more appeals process (replaced by PSST)
<input type="checkbox"/> Increased use of non-advertised processes	<input type="checkbox"/> Restricted use of non-advertised processes
<input type="checkbox"/> Deputy heads are delegated Ex (Executive level) staffing and revocation	
<input type="checkbox"/> Area of selection is determined by Departments (< Ex2 level)	<input type="checkbox"/> PSC no longer establishes criteria or area of selection
<input type="checkbox"/> Audit function plays a greater role	<input type="checkbox"/> Audit role existed but not focused on



## ANNEX C – ADM(HR-CIV) ORGANIZATIONAL CHART



\* Main PSEA OPIs – All groups have representatives on the HRLI WG that meets monthly.

Light blue box Denotes HR-Civ Personnel Interviewed

Yellow box Denotes Groups Not Interviewed



## ANNEX D – CRITERIA LISTED BY TB AUDIT GROUPINGS AND CROSS-REFERENCED TO COCO

REVIEW CRITERIA BY TB GROUPING	RISK LEVEL	COCO REF.
<b>RISK MANAGEMENT PRACTICES</b>		
<b>Objectives and Scope</b> – Clearly communicated and understood.	Low	A1
<b>Staffing Delegation Options</b> – Main assumptions documented and communicated. Delegation options adequately assessed.	Med	D1
<b>Monitoring</b> – Framework in place for periodic assessment of control. Objectives and related plans include measurable targets.	Low/Med	A5
<b>Risk Management</b> – Risk management strategy in place to identify potential risks. Appropriate risk management practices followed.	Med	A2
<b>MANAGEMENT PRACTICES</b>		
<b>Roles and Responsibilities</b> – Clearly defined and understood.	Low	B2
<b>Human Resources Management</b> – HR Plan for the PSMA implementation in place. Adequate resources available to support achievement of project objectives.	Med/Hi	C1
<b>Project Management</b> – Adequate project plans in place to guide implementation.	Low/Med	A4
<b>Tracking Progress</b> – Project objectives and milestones on track. Mechanism in place to flag late items and to develop corrective actions.	Med	D2
<b>DND Policies and Guidance</b> – Draft policies and guidance exist and designed to comply/align with Central Agency policies and guidance.	Med	A3
<b>Communications Processes</b> – Communications and consultation plans in place. Key stakeholders and users adequately informed and consulted.	Low	C2
<b>GoC-level Involvement</b> – Appropriate level of DND representation and engagement at GoC-level discussions.	Low	C2
<b>INFORMATION FOR DECISION-MAKING</b>		
<b>Cost Tracking and Reporting</b> – A process to track and report PSMA related costs in place, communicated and followed.	Low/Med	C3
<b>Information Provided to Decision-Makers</b> – Timely and accurate; adequate to compare project progress against plans; and sufficient to provide appropriate context to make decisions.	Med	C3

For a copy of the CoCo framework, please see the following website: [http://www.rmgb.ca/index.cfm/ci\\_id/3092/la\\_id/1.htm](http://www.rmgb.ca/index.cfm/ci_id/3092/la_id/1.htm)



## ANNEX E – LIST OF ACRONYMS AND ABBREVIATIONS

ADM(HR-Civ)	Assistant Deputy Minister (Human Resources-Civilian)	FMAS	Financial and Managerial Accounting System
CCMDA	<i>Canadian Centre for Management Development Act</i>	GIP	Global Implementation Plan
CHRC	Civilian Human Resources Committee	GoC	Government of Canada
CHRPCC	Civilian Human Resources Planning and Coordination Committee	HR	Human Resources
CIF	Coming Into Force	HRLI	Human Resource Legislation Implementation
COS	Chief of Staff	HRMS	Human Resource Management System
CRS	Chief Review Services	HRMT	Human Resources Management Team
CoCo	Criteria of Control	HRP	Human Resource Planning
DCEP	Directorate of Civilian Employment Policies	IO	Internal Order
DCHRSC	Director Civilian Human Resources Service Centre	L1	Level 1
DG	Director General	NCR	National Capital Region
DGCESP	Director General Civilian Employment Strategies and Programmes	OCI	Office of Collateral Interest
DGLPD	Director General Learning and Professional Development	OPI	Office of Primary Interest
DGLRC	Director General Labour Relations and Compensation	PIP	Project Implementation Plan
DGRCHRS	Director General of Regional Civilian Human Resources Services	PSC	Public Service Commission
DITMS	Director Information Technology and Management Services	PSEA	<i>Public Service Employment Act</i>
DM	Deputy Minister	PSHRMAC	Public Service HR Management Agency of Canada
DOD	Director Organization Development	PSLRA	<i>Public Service Labour Relations Act</i>
DND	Department of National Defence	PSMA	<i>Public Service Modernization Act</i>
DND/CF	Department of National Defence and the Canadian Forces	PSST	Public Service Staffing Tribunal
FAA	<i>Financial Administration Act</i>	RM	Risk Management
		SME	Subject Matter Expert
		TB	Treasury Board
		TOR	Terms of Reference
		WG	Working Group

