



Treasury Board of Canada
Secrétariat

Secrétariat du Conseil du Trésor
du Canada

Canada

Review of Workforce Adjustment Programs for Treasury Board Secretariat

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Prepared by Consulting and Audit Canada - February, 1997

The following report is intended to provide a more detailed and comprehensive assessment of the review that was undertaken on the initial workforce adjustment activities for the Treasury Board Secretariat (Secretariat) on which we had previously reported March 28, 1996.

Background

Consulting and Audit Canada have undertaken a review of the Workforce Adjustment Programs that have been utilized by the Secretariat in achieving its employment adjustment initiatives. These initiatives were the result of a government-wide program review.

To assist departments in managing their activities of expenditure and workforce reduction, the federal government introduced two new incentive programs. The Early Departure Program (EDI) and the Early Retirement Program (ERI) were added to the existing Workforce Adjustment Directive (WFAD), and the Executive Employment Transition Policy (EET).

Due to the size and significance of the restructuring and downsizing initiative, a large number of policies, procedures and administrative infrastructure had to be developed. All of these developments were aimed at assisting departments and agencies in managing their ERI, EDI, WFAD, and EET programs. The most significant guide available to all departments was a monitoring framework entitled: Workforce Adjustment Departmental Monitoring Framework for EDI and ERI Programs. Our review focused primarily on the issues and indicators within this guide and the extent to which the Secretariat has managed and monitored its workforce reductions.

The program review exercise and the budget of February 1995 had a significant impact on the Secretariat. Its operating budget was reduced by \$14.6 million and the workforce was reduced by 170 FTEs. (19% of the Secretariat's workforce).

Review Strategy for Phase One

The review methodology consisted of documenting the systems and processes utilized in managing Workforce Adjustment Programs. To assess these areas, interviews, file reviews and analysis of information and management practices were required. As part of the review, the following information was examined.

- The documentation being maintained by the Financial Services Division and Personnel Services Division.
- The methods and modes of information communicated on workforce adjustments.
- The utilization of the Alternates Program, and the reporting and assessment of this program.

As this workforce reduction is an ongoing program over a three year time frame, the program will require further review and assessment as to target reduction and other human resource issues. This particular review covers the first nine months (April 1st, 1995 to December 31, 1995.)

Departmental Workforce Adjustment Program - Findings

The Business Plan for 1995 to 1997/98 identified in broad terms the core activities that would form the basis of the Secretariat's operations. Although the document outlines strategic directions and new initiatives for the Secretariat, workforce reduction numbers are simply identified as an aggregate number of approximately 170 FTE's.

Our review was able to identify that management had communicated the results of budgetary reductions to the Secretariat staff through a series of meetings and E-mails.

From these announcements it was evident that involuntary departures would be held to a minimum.

To manage the initial exercise, employees were encouraged to indicate their individual interest in a departure incentive. A Human Resources Committee was subsequently established that reviewed all requests for a cash-out. We were unable to establish how the Committee actually operated as little documentation exists with respect to the Committee's meetings or decisions on downsizing. No documentation was available that would indicate that cash-outs had been determined on a functional or specific activity review basis.

For employees in receipt of a cash-out, there was documentation to indicate that counselling and assistance were readily available. Information sessions or departure programs were held and each departing employee was assigned a human resource counsellor.

All fifty-five cash-outs were examined to determine that basic documentation was completed. Fifteen of the cash-outs were examined in considerable detail to determine if the payments had been made in accordance with the ERI, EDI and EET policies and eligibility criteria. All fifteen cases were assessed as meeting the required eligibility criteria.

The following sets out the exact nature and magnitude of the Secretariat's Workforce Adjustment Program. The data covers the period April 1st, 1995 to December 31, 1995.

Treasury Board Secretariat Cash-Outs by Month	Treasury Board Secretariat Cash-Outs by Type (EDI, ERI, WFAD, EETP)
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April/95	1		
May/95	10		
June/95	21	ERI	37
July/95	15	EDI	10
August/95	1	WFAD	3
September/95	4	EETP	5
October/95	1	Total	55
November/95	1		
December/95	1		
Total	55		

**Treasury Board Secretariat
Cash-Outs by Organization**

HRB	24
OLEEB	4

PB	14
FIMB	10
INFA	1
Other	2
Total	55

Impact on Employment Equity Target Groups

As of this review, the Secretariat was in the process of reviewing and analysing Statistics on target groups (i.e. visible minorities, aboriginals, persons with disabilities and female EX's). Although numbers had been provided to the review team, further monitoring will be required to clearly establish the precise effect that downsizing may have had on these groups.

Areas for Improvement

As of this review, the Secretariat has not finalized its calculations with respect to pay back periods. The responsible financial officer was closely monitoring salary reductions by the individual branches against approved salary budgets. As it is the Secretariat's intention to return to this review in the Second year, pay back periods shall be examined in detail at that time to assess average pay back times that are being achieved.

The Secretariat should also strengthen the documentation it maintains on workforce adjustment decisions. Some indication as to why a position is being abolished (i.e. reduced effort, lack of work, discontinuance), should be visible within the documentation supporting the reduction and cash out.

In conclusion, and based on our preliminary review, we have determined that the Treasury Board Secretariat has managed its critical reductions in a satisfactory manner.

Subsequent to this initial phase one review, the Secretariat has undergone a major restructuring. This development has substantially altered all Branches and will significantly alter the numbers of employees that may be subject to the workforce reduction program in the future. As agreed to in our recent discussions with the Director, Financial Services Division and the Director, Human Resources Division, the second phase of our review will commence in early April 1997.

We would be pleased to meet with you, at your convenience, to discuss this report with you.