

Courts Administration Service

Audit of Values and Ethics

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DATE

***Courts Administration Service
(CAS)***

***Audit of
Values and Ethics***

EXECUTIVE SUMMARY

1.1 Background

The Courts Administration Service (CAS) was established in 2003 by the Courts Administration Service Act to support Canada's four Federal Courts. The Act mandates CAS to provide registry, judicial and corporate services to the four Federal Courts, thereby helping to maintain the independence of these courts from the government. The four courts served by CAS are the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada.

In April 2012, the Treasury Board Secretariat (TBS) implemented the Values and Ethics Code for the Public Sector (VECPs), which outlines the values and ethical standards to which public servants must adhere in all activities related to their professional duties. The CAS Code of Conduct, launched in 2014, was developed to outline the standards of conduct for CAS employees, and includes additional standards beyond those detailed in the VECPS.

The Chief Administrator has overall responsibility for fostering a positive culture of values and ethics in the organization. He ensures that employees are aware of their obligations under the Code and that employees can obtain appropriate advice within CAS on values and ethical issues.

Values and ethics have an impact at every level within CAS. CAS senior executives, managers and employees must uphold high standards of values and ethics in their interactions with members of the public, their colleagues and members of the judiciary from the four Federal Courts. CAS senior management launched several activities in recent years to strengthen the implementation of values and ethics within the organization, including programs to reinforce civility in the workplace and the prevention of harassment. To assess the effectiveness of initiatives supporting a robust values and ethics framework and to inform the way forward, CAS senior management requested that an Audit of Values and Ethics be initiated in January 2018.

1.2 Audit Objective and Scope

The objective of the audit was to assure Senior Management that CAS practices were adequate to effectively support the management of values and ethics at CAS. The scope of the audit included relevant activities of the CAS Values and Ethics Framework, including the Code of Conduct and related systems, processes, and practices used to manage, communicate, and promote awareness of the organization's values and ethics culture.

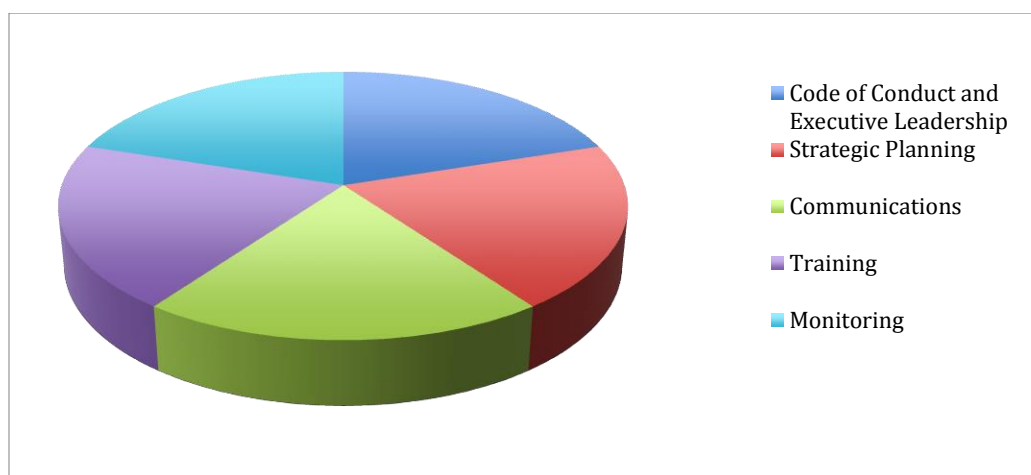
Specifically, the audit focused on the CAS values and ethics framework and examined whether:

- Governance structures are in place to foster leadership and a culture based on the CAS Code of Conduct.
- Policies, guidelines, tools, and processes are clearly documented and communicated.
- The values and ethics framework and policies are being monitored and reported on to ensure implementation across the CAS.

Through the examination of the values and ethics infrastructure and related initiatives and activities, as well as interviews with CAS senior managers and employees, the audit assessed with a reasonable level of assurance if adequate and effective measures and controls are in place to effectively support the management of values and ethics at CAS.

Elements of the CAS Values and Ethics Framework

A strong values and ethics framework is fundamental to supporting CAS in its operations and reputation. Research in public and private sectors has identified the key components needed for an effective values and ethics framework, which are reflected within CAS. Synergies among the components of the Code of Conduct and Executive Leadership, Strategic Planning, Communications, Training and Monitoring promote and sustain the viability of CAS's values and ethics framework.



1.3 Audit Findings

Overall, the audit found that there is an adequate framework effectively supporting the management of values and ethics at CAS. The audit noted several strengths and some areas where opportunities for improvement were identified. Four (4) recommendations are developed in this report.

The audit found evidence that the Chief Administrator, senior management and Human Resources (HR) place a high degree of emphasis on values and ethics, and set a positive 'tone at the top'.

The CAS Code of Conduct, the foundation piece for the organization's values and ethics framework, supports a safe, healthy and respectful workplace. The Code also provides advice on addressing ethical risks and potential conflicts of interest.

The audit identified strong values and ethics practices including the development of plans to promote values and ethics initiatives, a training curriculum, consideration of ethical risks in the CAS Enterprise Risk Management Framework and the use of performance indicators.

Opportunities for improvement were identified with regards to clarifying the roles, responsibilities and expectations for Delegated Officers and Champions who support the values and ethics framework. The audit also ascertained the need for an integrated multi-year plan to coordinate the many values and ethics initiatives within CAS. This plan should address policy requirements, specify accountabilities of stakeholders, resources, and communications strategies and include robust performance measures to strengthen the CAS values and ethics framework.

A more detailed discussion of audit findings and related audit recommendations are presented in Section 3 of this report.

1.3.1 Governance

Observed Strengths

- CAS has a values and ethics governance structure that is supported through senior management leadership and culture.
- The CAS Code of Conduct outlines the values and ethical standards to which all executives, students, casual, seasonal and part-time workers are bound, and which underlie expected behaviours.
- CAS policies and practices are aligned to TBS policies and directives.
- Senior Managers have been appointed as Delegated Officers and Champions to visibly support the values and ethics framework at CAS.
- Employees confirm their understanding of and compliance with the CAS Code of Conduct through their Letters of Offer and annual Performance Management Agreements.
- The CAS Departmental Audit Committee reports, at least annually, on values and ethics.

Opportunity for Improvement:

Roles and expectations of Delegated Officers and Champions supporting CAS' values and ethics framework should be clarified to ensure effective co-ordination and prioritization of initiatives.

1.3.2 Planning

Observed Strengths:

- Strategies and plans have been developed to address aspects of the CAS values and ethics framework, including the CAS Code of Conduct, Conflict of Interest and Post-Employment, Harassment Prevention, Public Servants Disclosure Protection Act (PSDPA), Informal Conflict Management System and Workplace Mental Health.
- The Workplace Mental Health Strategy demonstrates best practices in identifying commitments from the Chief Administrator, Terms of Reference, Strategic Objectives, Actions, Timelines, Points of Contact, and Performance Measures.

Opportunity for Improvement:

A multi-year integrated plan should be developed to identify and manage the many values and ethics initiatives within CAS that support the values and ethics framework, using the Workplace Mental Health Strategy as a model. The plan should specify roles and responsibilities of the Delegated Officers and Champions who support the values and ethics framework including the:

- Delegated Manager for the Prevention of Harassment
- Senior Delegated Officer for the Disclosure of Wrongdoing
- Delegated Manager for Values and Ethics
- Champion for Values and Ethics
- Champion for Harassment Prevention
- Champion for the Public Service Employee Survey (PSES)
- Champion for Mental Health in the Workplace

1.3.3 Communications**Observed Strengths:**

- Information on values and ethics standards and guidance is communicated to employees through the CAS intranet site (InfoNet).
- InfoNet includes information for employees on how to report issues of concern relating to values and ethics, or wrongdoing in the workplace as per the PSDPA.

Opportunity for Improvement:

An updated communications plan should be developed to identify desired outcomes, products, responsibilities and means to support a long-term sustainable values and ethics program. Ideally, the strategy should include positive messages and success stories as well as risk-related messages. The updated communications strategy should include a multi-year schedule for developing and publishing a range of tools and materials to keep values and ethics initiatives visible and promote employee engagement.

1.3.4 Risk Management**Observed Strengths:**

- The CAS Code of Conduct identifies ethical risks and potential conflict-of-interest situations that employees may encounter in their daily activities.

- The Public Service Employee Survey (2017) identified key risk areas and informed plans linked to enhancing values and ethics at CAS.
- Ethical risks are considered in the CAS Enterprise Risk Management Framework.

1.3.5 Training

Observed Strengths:

- All new CAS employees undergo mandatory training on values and ethics provided by the Canada School of the Public Service.
- Mandatory “Values and Ethics Foundations” training is provided to all CAS managers on the Values and Ethics Code for the Public Sector, conflicts of interest, ethical dilemmas and issues of accountability.

1.3.6 Monitoring and Reporting

Observed Strengths

- Data is available which quantifies the number of conflict of interest matters, the resolution of harassment incidents, informal conflict resolution management activities, cases of internal disclosure of wrongdoing and statistics on training.
- Responses to values and ethics initiatives are adjusted based on this data.

Opportunities for Improvement:

The development of comprehensive performance indicators related to expected outcomes should be developed and conveyed regularly to CAS senior management to support them in assessing whether CAS values and ethics initiatives are achieving desired results.

1.4 Management Response

Management agrees with the audit observations and the recommendations made in this report. Appropriate detailed action plans have been developed and will be implemented as described.

1.5 Conclusion

The audit found that the values and ethics framework in place for the management of values and ethics initiatives and is, by and large, effectively designed and operating as intended.

Improvements are, however, needed with respect to the need for an overarching plan for values and ethics that will identify, prioritize and coordinate values and ethics initiatives, clarify accountabilities, Identify needed resources, strengthen communications and develop key performance indicators which are conveyed regularly to CAS senior management.

1.6 Statement of Conformance

In my professional judgment, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusion provided and contained in this report. The audit conclusion is based on a comparison of the conditions, as they existed at the time, against pre-established audit criteria that were agreed upon with management. The conclusion is applicable only to the entity examined. The evidence was gathered in compliance with Treasury Board policies, directives and standards on internal audit and conforms to the Internal Auditing Standards for the Government of Canada.

The evidence gathered was sufficient to provide senior management with proof of the conclusion derived from the internal audit.

André Bolduc CIA
Chief Audit Executive

2. INTRODUCTION

2.1 Background

The role of CAS is to provide registry, judicial and corporate services to the four Federal Courts, thereby helping to maintain the independence of these courts from the government. The four courts serviced by CAS are the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada.

In April 2012, the Treasury Board Secretariat (TBS) implemented the Values and Ethics Code for the Public Sector (VECPs), which outlines the values and ethical standards to which public servants must adhere in all activities related to their professional duties. The CAS Code of Conduct, launched in 2014, was developed to outline the standards of conduct for CAS employees, and includes additional standards beyond those detailed in the VECPS.

Ensuring the presence of sound values and ethics is a vital, ongoing part of good governance in any organization. Public sector values and ethics promote public confidence in government institutions while supporting sound decision-making.

An ethical framework ensures that an organization's corporate culture fosters ethical behaviour in its employees based on Respect for Democracy, Respect for People, Integrity, Stewardship and Excellence. It also contributes to maintaining public confidence and trust in the institutions of government, and to assure that there is good value and probity in the expenditure of taxpayer dollars.

2.2 Audit Objective

The objective of the audit was to assure Senior Management that CAS practices relating to promoting values and ethics are effective.

2.3 Audit Scope

- The scope of the audit included an examination of key elements of the CAS values and ethics framework. The audit examined whether:
- Governance structures are in place to foster leadership and a culture based on the CAS Code of Conduct.
- Policies, guidelines, tools, and processes are clearly documented and communicated.

- The values and ethics framework and policies are being monitored and reported on to ensure implementation across the CAS.

Audit activities were undertaken mostly in the National Capital Region, but included interviews with regional managers and employees. The audit also included reviews of CAS documents, Treasury Board Secretariat policies and directives, and federal legislation supporting a robust values and ethics framework in the public service. The audit covered fiscal years 2015-2016 to 2017-2018.

2.4 Audit Methodology

The audit engagement was conducted in accordance with the Internal Auditing Standards for the Government of Canada, which incorporate the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. These professional standards require that the internal audit be planned and performed in such a way as to obtain reasonable assurance that audit objectives are achieved.

In addressing the audit objective, audit criteria were developed against which observations, assessments and conclusions were drawn. Appendix A to this report presents a list of the criteria for the audit and the conclusion reached against each criterion.

The audit criteria were developed based on the information gathered during the planning phase and on the results of the risk assessment conducted. TBS policies and related directives, CAS policies, directives and framework for values and ethics provided the foundation for developing the audit criteria. The audit criteria are presented in Annex A of this report.

3. FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSE

3.1 Governance

3.1.1. Policies and Directives

Audit Criterion: An effective governance structure is in place to support values and ethics at CAS.

The audit sought to determine whether governance structures are in place that supports a strong values and ethics framework. The audit found that core fundamentals were in place such as the development of the CAS Code of Conduct, which was published in 2014. The Code of

Conduct includes the key elements stated in the Values and Ethics Code for the Public Sector (VECPS) and clearly outlines the values and behaviours that are expected of all CAS employees.

Values and Ethics Standards are documented

The VECPS and the CAS Code of Conduct form part of the terms and conditions of employment of every CAS employee, including indeterminate and term employees, executives, students, casual, seasonal and part-time workers. Individuals on Interchange Canada assignments and contractors are also expected to comply with the requirements of the CAS Code of Conduct.

As noted by the Chief Administrator, “The CAS Code of Conduct outlines the values and ethical standards to which we are bound to adhere and which underlie the behaviours that are expected of each of us. In addition to providing a framework for a safe, healthy and respectful workplace, the Code can assist in identifying and addressing ethical risks and potential conflicts of interest.”¹

The Code of Conduct supports an effective governance framework for values and ethics, which in turn promotes a safe, healthy and respectful workplace. As indicated above, the Code also identifies potential ethical risks and conflicts of interest. It provides explicit direction on standards of conduct that apply to CAS employees. These standards include a Statement of Principles, Legislative Context and Application, Values and Ethics Code for the Public Sector, Standards of conduct, Conflict of Interest and Post-Employment, Disclosure of Information Concerning Wrongdoing, Avenues for Resolution and Consequences.

3.1.2 Executive Leadership

Audit Criterion: Executive leadership promotes a high standard of integrity and ethics.

Support from senior leadership at CAS is a key factor in promoting a strong values and ethics framework. Support means at first providing the right tone in communications, demonstrating appropriate ethical behaviour, responding to ethical situations, and ensuring resources are applied to invest in a continual refreshing of the values and ethics programs.

Executive leadership at CAS reinforces their commitment to honesty, integrity and ethical behaviour. Senior leaders at the Executive Committee (EXCOM) routinely address issues

¹ CAS Code of Conduct

related to values and ethics such as the Mental Health Action Plan. Town Hall meetings also provide opportunities for employees to raise their questions and concerns related to values and ethics with members of senior management.

Executive leadership promotes high standards of ethics through Quarterly Messages and through Insight. In his message in the August 2017 edition of Insight, the Chief Administrator underlined the importance of, and CAS's commitment to mental health in the workplace. The Chief Administrator reiterated his commitment to:

1. Promoting positive mental health;
2. Demonstrating visible and sustained leadership commitment;
3. Engaging senior management, managers and employees;
4. Promoting healthy workplace activities; and
5. Developing a comprehensive action plan on mental health.

Other members of CAS executive leadership demonstrate a strong commitment to values and ethics. The Deputy Chief Administrator, Judicial and Registry Services, is the CAS Mental Health Champion responsible for raising awareness of the mental health continuum in the workplace, workplace health services and supporting "Changing the CAS culture to be respectful of the mental health of all colleagues."

In addition, several Executives have agreed to act as Delegated Officers or Champions for programs that support the values and ethics framework.

The Chief Administrator has taken on the role of Champion for Harassment and Discrimination Prevention to promote respect in the workplace and protect employees' dignity and self-esteem. The Mental Health Strategy is championed by the Deputy Chief Administrator, Judicial and Registry Services while Values and Ethics and the PSES portfolios are each supported by Executive Legal Counsel/Directors within the Judiciary/Registry Branch.

Delegated Officers are mandated to support the following policies and programs: Harassment Prevention, Public Servants Disclosure Protection Act and Values and Ethics.

In the absence of clear expectations, outputs from the values and ethics Champions have been inconsistent. Champions rely, by and large, on Human Resources employees to develop terms of reference, communications and outreach activities. Given the limited resources within the Human Resources Division, results have been limited to the Champions responsible for

Harassment and Discrimination Prevention, Workplace Mental Health and the PSES. These three Champions have been supported through detailed plans, activities, specified deliverables and the identification of performance indicators. The Champion for Values and Ethics and the Senior Officer for the Disclosure of Wrongdoing have limited presence and outputs.

3.1.3 Roles and responsibilities

Audit Criterion: Roles and responsibilities for values and ethics are documented, communicated to all relevant stakeholders, and are functioning as defined.

The CAS InfoNet website provides basic information on the roles and responsibilities for Delegated Officers and Champions assigned to values and ethics-related initiatives such as the:

- Senior Officer for Disclosure of Wrongdoing who is responsible for informing employees on matters pertaining to the Public Servants Disclosure Protection Act and its recourse mechanisms.
- Senior Official for the Values and Ethics Code of the Public Sector, who advises employees on professional conduct and conflict as it relates to the Values and Ethics Code for the Public Sector, the CAS Code of Conduct and the Policy on Conflict of Interest and Post-Employment.
- CAS Values and Ethics Champion, whose role is to coordinate, facilitate and promote projects related to values and ethics at CAS.
- Champion of the PSES who coordinates activities relating to the analysis of the Public Service Employee Survey's results and follows up on issues raised by employees.
- Champion of Mental Health who works to establish key objectives toward continual improvement of psychological health and safety in the workplace

Interviews with OPIs, champions, managers and employees, however, underscored a general lack of understanding of the roles and responsibilities of Champions. The majority of employees interviewed did not understand the roles and responsibilities of the Senior Officers and Champions related to values and ethics. Expectations and goals for Senior Officers and Champions are not formalized which contribute to inconsistent results and roles and deliverables being perceived as ad hoc.

More work is needed to counter confusion among employees and champions on the accountabilities and expectations among values and ethics OPIs and champions. The role of the Senior Officer for the Disclosure of Wrongdoing is defined by Treasury Board Policy, and described on InfoNet, but tailoring those responsibilities to the CAS environment would make his role more accessible and readily understood. A preliminary draft of the roles and responsibilities for the CAS Values and Ethics Champion has been developed. Attention should be brought to clarifying perceived overlaps between the Senior Officer for Public Service Values and Ethics and the CAS Values and Ethics Champion. Efforts should be made to finalize these accountability documents and to communicate them to CAS employees.

Recommendation 1 (High Level)

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| <p>The CAS Values and Ethics framework should be strengthened by clarifying the roles and expectations of Delegated Officers and Champions responsible for values and ethics initiatives.</p> <p><u><i>Management Response and Action Plan Recommendation #1</i></u></p> <p>Agreed.</p> | | |
| <p><u>Management Action Plan</u></p> <p>Develop and communicate clear roles and responsibilities for CAS Delegated Officers and Champions for values and ethics initiatives.</p> | <p>Responsible Official</p> <p>DG Human Resources</p> | <p>Target Completion Date</p> <p>October 31, 2018</p> |

3.1.4 Understanding and Compliance with the CAS Code of Conduct.

Audit Criterion: Employees periodically confirm their understanding of and compliance with the CAS Code of Conduct

Employees and senior managers periodically and methodically confirm their understanding of and compliance with the CAS Code of Conduct. Three vehicles reinforce this standard.

1. Letters of Offer:

All new employees confirm that they understand and will comply with the CAS Code of Conduct. (New employees include regular appointments on a full-time or part-time basis, indeterminate appointments, and appointments within the Professional Development or Apprenticeship Program. Other groups include indeterminate appointments, appointments of a priority person and leave of absence replacement).

The letter of offer reiterates that conditions of employment are contingent upon employees' compliance with the Values and Ethics Code for the Public Sector (Public Sector Code), including the Appendix B of the Conflict of Interest and Post-Employment Policy and Courts Administration Service Code of Conduct.

New employees are advised that if they feel that they are in a real, perceived or potential conflict of interest, they must report it within 60 days of the effective date of their appointment. Employees are directed to the report template on the CAS InfoNet website and to the Chief, Workplace Management.

The letter of offer also advises new employees of their rights to engage in political activities while maintaining the principle of political impartiality in the public service while reiterating that they are subject to the political activities provisions set out in Part 7 of the Public Service Employment Act.

2. Performance Agreements for Senior Managers:

CAS promotes best practices for strengthening the organization's values and ethics climate by including clearly defined and measurable values and ethics objectives with established planned actions/activities in Performance Agreements.

Each CAS executive is required to develop individual commitments and performance measures in support of the government-wide Federal Public Service Workplace Mental Health Strategy and a new emphasis on the implementation of organization-specific initiatives to prevent harassment and discrimination in the workplace. Senior leaders are also asked to identify recruitment and development activities to increase the social and cultural diversity of the CAS workforce thereby reflecting the population the organization serves and improving decision-making. Establishing diversity goals, implementing appropriate recruitment and development activities and measuring progress are required.

3. Performance management agreements for employees also include references to values and ethics, i.e.:

“I have read the Values and Ethics Code for the Public Sector, the Policy on Conflict of Interest and Post-Employment, and our organizational Code of Conduct, and understand that I am required to comply with these terms of employment.”

Taken as a whole, CAS has implemented best practices for ensuring understanding and compliance with the Code of Conduct.

3.2 Policies, Guidelines and Tools

3.2.1 Policies, guidelines and tools

Audit Criterion: Values and ethics policies, guidelines and tools are complete and comply with Treasury Board Policy standards.

The audit expected to find that CAS Values and ethics policies, guidelines and tools are complete and comply with Treasury Board Policy standards.

A comparison of the CAS Code of Conduct and Conflict of Interest Policy with the TBS VECPS, and Policy on Conflict of Interest demonstrated that CAS policies are aligned to TBS standards. CAS has prepared guidance related to values and ethics and workplace issues conflicts of interest, post-employment practices, and prevention of harassment and workplace wellness.

3.2.2 Operational Strategies and Plans

Audit Criterion: Operational strategies and plans promote compliance with the CAS Code of Conduct and support managers’ and employees’ responsibilities associated with values and ethics at CAS.

The audit found that CAS has a variety of values and ethics related plans and strategies in place that promote compliance with the CAS Code of Conduct and support managers’ and employees’ responsibilities associated with values and ethics. Initiatives include plans to sustain the Code of Conduct, the Policy on Conflict of Interest, and to support the Workplace Mental Health Strategy, along with tools and resources tailored the Treasury Board Policy on Harassment Prevention and Resolution.

There are important connections between these initiatives, but they are not formally identified. There is an absence of robust comprehensive planning whereby priorities are identified, managed and monitored. Similarly, decisions on resources needed to effectively implement values and ethics initiatives and activities are absent. These gaps may result in the misalignment of values and ethics activities and resources, which in turn could diminish the efficiency of CAS's values and ethics framework.

Recommendation 2 (High Level)

A comprehensive multi-year strategic plan should be developed to strengthen the CAS values and ethics framework. This plan should:

- Identify, prioritize and coordinate values and ethics initiatives.
- Clarify accountabilities.
- Identify needed resources.
- Strengthen communications.
- Develop key performance indicators.

Management Response and Action Plan Recommendation #2

Agreed.

| <u>Management Action Plan</u> | Responsible Official | Target Completion Date |
|--|----------------------|------------------------|
| Develop a 3 year strategic plan that identifies priorities and coordinates values and ethics initiatives, clarifies accountabilities, identifies required resources, includes a communications plan and key performance indicators | DG Human Resources | June 28, 2019 |

3.2.3 Communications of Policies, Guidelines and Tools

Audit Criterion: Policies, strategies, tools supporting values and ethics are regularly communicated to all CAS employees.

The audit expected to find that policies, strategies and tools supporting values and ethics are in place and regularly communicated to all CAS employees. The audit found that the CAS InfoNet site includes information for employees on the Values and Ethics Code for the Public Sector (VECPs), the CAS Code of Conduct, as well as means for reporting Conflict of Interest situations, and concerns relating to the Public Servants Disclosure Protection Act (PSDPA). Other information on the CAS InfoNet site includes the identification of values and ethics Champions and tools linked to prevention of harassment, workplace wellness and the CAS Mental Health Strategy.

The audit found that several policies, strategies and tools supporting the CAS values and ethics framework have been developed and are posted on InfoNet. However, employees and managers had limited recall about values and ethics strategies, expected outcomes and progress made through time. Similarly most managers and employees were unaware of the CAS Champions for values and ethics. Communicating values and ethics initiatives and standards via email was noted as being particularly ineffective; these emails are routinely discarded before they are read. The vast majority of CAS employees and managers interviewed as part of the audit reported that communications linked to values and ethics require the use of more effective means to engage employees already facing difficulties keeping themselves updated on numerous emails and coping with demanding workloads.

CAS recently modernized its approach to internal communications in response to the Internal Communications Focus Groups (ICGF). This initiative was held to gain qualitative insights from employees regarding internal communications, and to identify opportunities to modernize CAS's approach. In response to employee comments during the ICFG, and to better align CAS with Government of Canada communications activities, the launch of CAS's new intranet web site in August of 2017 offered a new suite of online communications. These initiatives should be encouraged as a means of engaging employees and managers in communicating values and ethics policies and strategies and tools.

Recommendation 3 (Medium Level)

An updated communications plan should be developed to:

- Identify desired outcomes, products, responsibilities and means for supporting a

| | | |
|---|---|--|
| <p>long-term sustainable values and ethics program.</p> <ul style="list-style-type: none"> Convey positive messages and success stories as well as risk-related messages. <p>Include a multi-year schedule for developing and publishing a range of tools and materials to keep values and ethics initiatives visible and promote employee and management engagement.</p> <p><u>Management Response and Action Plan Recommendation #3</u></p> <p>Agreed.</p> | | |
| <p><u>Management Action Plan</u></p> <p>Develop as an Annex to the 3-year strategic plan, a fully comprehensive communications plan.</p> | <p>Responsible Official</p> <p>DG Human Resources</p> | <p>Target Completion Date</p> <p>June 28, 2019</p> |

3.2.4 Risk Management

Audit Criterion: Risk management practices include measures for identifying, mitigating and managing values and ethics risks.

Risk management is a process whereby potential threats to an organization's strategic outcomes and operational priorities are examined and mitigated in a rational and clearly documented fashion. Risk assessments and controls help to prevent serious ethical problems by identifying the functions and areas at high risk for ethical breaches and ensuring that effective controls and oversight are in place. Effective ethical management identifies organizational ethical risks, the drivers of these risks, and the impact of these risks on organizational controls, compliance systems and human resources management.

The CAS Integrated Risk Profile identifies and situates the organization's risks in relation to its overall strategic objectives and operating environment. In developing the CAS Enterprise Risk Management Framework, consideration is given to values and ethical risks within Governance and Strategic Direction, Communication, Human Resources Management, Information Stewardship, Political Operating Context, Laws and Regulations, CAS's Reputation and Credibility and Policy Development. Reputational risks are also considered, including

complaints. Despite these measures, risk management practices do not identify mitigation measures for ethical risks facing CAS.

No recommendation is made. Refer to recommendation no.2 above.

3.2.5 Training

Audit Criterion: All employees are trained in and understand CAS's values and ethics standards and expectations.

There are many courses and training opportunities in support of values and ethics. Compulsory courses for CAS employees are available from the Canadian School for Public Service and in-house training courses. Course attendance demonstrates a high rate of completion among CAS employees and managers. Values and ethics training, with associated completion levels for 2017-2018 follows:

| TITLE | COMPLETION LEVEL |
|--|---------------------|
| Values & Ethics Foundations for Managers | 70% |
| Values and Ethics for All Employees | 91% |
| Creating a Respectful Workplace | 75% |
| Information Sessions: COI policy, Code of Conduct, PSDPA, Harassment Prevention Recourse | 93% |

In addition, Information Sessions on Civility and Respect in the Workplace are scheduled for fiscal year 2018-2019, as well as coaching on holding difficult conversations, expectations and performance management.

All new CAS employees (2 years or less) at CAS reported that they completed compulsory training on Values and Ethics. These employees were satisfied with the Canadian School for Public Service in-house training course but would have welcomed training tailored more

specifically with CAS. Longer-term employees at CAS commented that they would appreciate refresher training on values and ethics principles and applications. In a dynamic workforce, with evolving sensibilities and views on values and ethics, long-term employees who are not supervisors feel they are at risk of inadvertently contravening new standards because they do not have up to date training.

No recommendation is made. Refer to recommendation no.2 above.

3.3 Monitoring and Reporting

3.3.1 Performance Monitoring

Audit Criterion: A formal process is in place to monitor, review and report on expected outcomes and performance objectives related to CAS values and ethics programs.

Performance monitoring is the process of aligning resources, systems and employees to achieve strategic objectives and priorities in an effective manner.

An important part of any management control framework is the suite of monitoring practices that exist to provide management with insight into the state of performance. Effective monitoring practices are critical in helping the Chief Administrator, senior management and Human Resources to stay abreast of the implementation of values and ethics initiatives and activities. The audit expected to find robust and regularized processes that track and assess not only the state of CAS values and ethics (e.g., the “pulse”), but also the effectiveness of programs and initiatives that enable and sustain strong values and ethics over time.

The CAS values and ethics framework includes monitoring activities that provide the Chief Administrator, senior management and Human Resources with information on the implementation and effectiveness of values and ethics initiatives and activities.

To support monitoring activities, information is collected on the number of employees and managers using ICMS, the number of harassment cases and their disposition, reports of non-advertised appointments, sole source contracts, and statistics on employees training and the number of employees who acknowledged that they understand and will comply with the CAS Code of Conduct.

Monitoring activities also rely on feedback from periodic surveys, including the Public Service Employee Surveys (PSES), to assess the ethical climate within the organization. Analysis of PSES results for 2017 and previous years noted strengths with respect to senior management leading by example in ethical behaviours and perceptions that CAS is considered a respectful and ethical workplace. Areas of concern included work-related stress, the lack of effective communications from senior management to employees and perception of harassment on the job.

Interviews conducted with employees and managers during the audit support CAS' analysis of the 2017 PSES results. Employees at headquarters and in the regions reported stress linked to heavy workloads that prevented work life balance. Some CAS employees and managers interpreted increased workloads, coupled with fewer resources, as a lack of respect for employees. In response to these perceptions, a management action plan was developed. Among other measures, the Federal Government's recent investment in CAS of \$41.9 million over five years, and \$9.3 million per year ongoing is expected to mitigate resource shortfalls that have contributed to workload pressures. Regular updates to CAS employees will reinforce the message that considerations of workload pressures and solutions are underway.

The lack of effective communications was also noted in CAS's analysis of the PSES results and this was confirmed in our audit interviews. Monitoring activities have allowed CAS to take appropriate actions. CAS recently launched a modernized approach to internal communications, which should make values and ethics-related messages more relevant and effective. Tailored performance measures tied to benchmarks and employee engagement levels will better support CAS in measuring the effectiveness of communications supporting the values and ethics framework.

Monitoring of human resources challenges, as revealed by the surveys, contributed to CAS senior management response to allegations of harassment in the workplace. During the conduct of the audit, employees provided insights into reported cases of perceived harassment, noting that power imbalances can generate feelings of intimidation and lack of respect for differing opinions. Some managers also cited lack of consultation as contributing to a perception of disrespect. As previously indicated in section 3.1.2, the Chief Administrator has taken on the role of Champion for Harassment and Discrimination Prevention to promote respect in the workplace and protect employees' dignity and self-esteem. CAS encourages employees to report all incidents of harassment. CAS senior managers and Human Resources personnel can then analyze this data to develop key performance indicators, such as the identification of unwanted behaviors, contraventions of policies, trends, interventions, and the

effectiveness of corrective actions.

Consequently, the audit observed that performance monitoring practices allowed senior management to develop action plans.

3.3.2 Performance Measurement

Audit Criterion: Performance indicators, results and outcomes measuring values and ethics programs are formally reported to senior management on a regular basis.

The audit found that performance indicators, results and outcomes measuring values and ethics programs are reported on an ad hoc basis to senior management at CAS. With the exception of the Mental Health Strategy, there were no routinely scheduled presentations on key performance indicators linked to values and ethics. Regularly scheduled presentations on key performance measures would ensure that values and ethics considerations inform senior management decisions related to priority setting, programs, resources and policies. A coherent performance management report would also provide a valuable year over year perspective of the effectiveness of the CAS values and ethics framework.

The development of comprehensive performance indicators related to key aspects of values and ethics at CAS should be developed to capture and assess the impact and outcomes of values and ethics initiatives and risk mitigations measures.

Recommendation 4 (High Level)

A comprehensive set of key performance indicators related to expected outcomes linked to all values and ethics initiatives should be developed and conveyed regularly to CAS senior management to support them in assessing whether CAS values and ethics initiatives are achieving desired results.

Management Response and Action Plan Recommendation #4

Agreed.

| | | |
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| <u>Management Action Plan</u> As part of the 3-year strategic plan, key performance indicators will be developed and communicated regularly to CAS senior management. | Responsible Official DG Human Resources | Target Completion Date June 28, 2019 |
|--|--|--|

3.4 ANNEX A

| Criteria | | |
|----------|--------------------------------|--|
| 1 | Governance | |
| | 1.1 | An effective governance structure is in place to support values and ethics at CAS. |
| | 1.2 | Executive leadership promotes a high standard of integrity and ethics. |
| | 1.3 | Roles and responsibilities for values and ethics are documented, communicated to all relevant stakeholders, and are functioning as defined. |
| | 1.4 | Staff Employees periodically confirm their understanding of and compliance with the CAS Code of Conduct. |
| 2 | Policies, Guidelines and Tools | |
| | 2.1 | Values and ethics policies, guidelines and tools are complete and comply with Treasury Board Policy standards. |
| | 2.2 | Operational strategies and plans promote compliance with the CAS Code of Conduct and support managers' and employees' responsibilities associated with values and ethics at CAS. |
| | 2.3 | Policies, strategies, tools supporting values and ethics are regularly communicated to all CAS employees. |
| | 2.4 | Risk management practices include measures for identifying, mitigating and managing values and ethics risks. |
| | 2.5 | All employees are trained in and understand CAS's values and ethics standards and expectations. |
| 3 | Performance Measurement | |
| | 3.1 | A formal process is in place to measure, review and report on expected outcomes and performance objectives related to CAS values and ethics programs. |
| | 3.2 | Performance indicators, results and outcomes measuring values and ethics programs are formally reported to senior management on a regular basis. |