



Correctional Service
Canada

Service correctionnel
Canada



SAFETY, RESPECT
AND DIGNITY
FOR ALL

LA SÉCURITÉ,
LA DIGNITÉ
ET LE RESPECT
POUR TOUS

Audit of Strategic Performance Management Information

Internal Audit

378-1-245

July 30, 2009

Canada

Table of Contents

EXECUTIVE SUMMARY	3
1.0 INTRODUCTION	6
2.0 AUDIT OBJECTIVES AND SCOPE	8
2.1 Audit Objectives	8
2.2 Audit Scope	8
3.0 AUDIT APPROACH AND METHODOLOGY	9
4.0 AUDIT FINDINGS AND RECOMMENDATIONS	10
4.1 Senior Management Reporting	10
4.2 Common Reporting for Regions/Sectors	13
4.3 Integrating Performance Information	15
4.4 Information Quality	16
Annex A	20
Annex B	22
Annex C	23

EXECUTIVE SUMMARY

The Audit of Strategic Performance Management Information was identified as a priority in the Correctional Services Canada (CSC) Internal Audit Branch 2008-09 Plan in order to provide reasonable assurance that the management framework in place to support performance management and corporate reporting across the Department is adequate and effective. The focus of this audit was intended to be strategic in nature, emphasizing CSC's overall performance management framework to support corporate reporting and governance.

More specifically, the objectives were to obtain reasonable assurance that key management processes and controls are adequate and effective in the following areas:

- Senior Management Reporting - Performance management information meets the needs of Senior Management for monitoring and strategic decision-making at the corporate or enterprise level;
- Region/Sector Reporting - Performance management information meets the needs of region/sector leaders for monitoring and strategic decision-making at the business unit level;
- Integrating Performance Information - Information sources are consistent and integrated at various levels of the organization (i.e. Senior Management, top-level committees, Regional/Sector Management); and,
- Information Quality - Report development and quality assurance processes are in place to ensure that quality, reliable, and standardized information are provided to Senior Management and the Regions/Sectors.

CONCLUSION

Overall, CSC has adequate processes and internal controls for ensuring that strategic performance information is aligned with strategic priorities and objectives and generally contain key data elements necessary for monitoring and strategic decision-making at the corporate level; however, the overall volume of priorities and commitments, if not addressed, could undermine Senior Management's ability to actively manage performance.

- CSC has reasonable processes to ensure complete and accurate reporting against corporate-wide strategic objectives as articulated in the Report on Plans and Priorities, Corporate Risk Profile, HR Strategy and Transformation Plan¹.
- Given the volume of commitments currently tracked by CSC, there would be a benefit to the organization to rationalize and prioritize the commitments, to streamline the metrics and reporting frequency used to monitor commitments (based

¹ The transformation plan is in response to an independent review panel. See <http://www.csc-scc.gc.ca/text/organi/trnsform-eng.shtml> for a copy of the "Report of the CSC Review Panel: A Roadmap to Strengthening Public Safety" on CSC's departmental website.

on priority levels), to focus on a critical subset of reports covering key aspects of operations, human resources and finance, and once CSC's reporting and monitoring practices are at a sufficient level of rigour, to delegate ownership for monitoring lower priority commitments to lower levels of the organization (i.e. lower than EXCOM), where applicable.

While Regional Deputy Commissioners and Assistant Commissioners are provided with regional performance information through national reports, there are many distinct reports at the sector and regional level, with some opportunities to streamline and standardize some reports. Further, there is a lack of established process to cascade the corporate priorities and commitments to the sectors and regions.

- National priorities are not systematically translated into region/sector priorities and plans, and regions and sectors are not using a consistent approach to performance monitoring at the business unit level. National reports provide a substantial amount of regional data, but regions and sectors are using a wide variety of other reports as well.

Overall, CSC has adequate processes for ensuring that national committees interface and interact with each other to share strategic information and provide their input on key CSC initiatives to Executive Committee (EXCOM).

- Coordination and consultation between national committees is improving but will require continued monitoring to assess whether the new decision-making control process at EXCOM is effective.

Senior Management currently mitigates the risk of potential inaccuracies in performance data by drawing upon its experience and corporate knowledge to identify anomalies in performance management data; however, there does not appear to be an established process for capturing and documenting long-standing corporate knowledge or building this experience/knowledge into systems/reports.

- While the review processes seem to have been generally effective at ensuring quality information, they rely on the experience, specialized knowledge and corporate memory of a relatively small number of key staff.
- There are very limited documented processes, standards or protocols to assist in the review.
- Currently, there are not complete data standards or common data definitions to ensure that staff inputting data into CSC systems and those extracting data from the systems have a clear understanding of how this information meets CSC's needs for strategic decision-making. In particular, there are concerns where a strategic objective is measured using data that comes from unstructured fields (i.e. text boxes) within the Offender Management System (OMS).

RECOMMENDATION

Recommendations have been made in the report to address these areas for improvement. Management has reviewed and agrees with the findings contained in this report and a Management Action Plan has been developed to address the recommendations (see **Annex C**).

1.0 INTRODUCTION

A well functioning performance management system is critical to the success of any organization. An integrated performance management framework combines the power of technology, information, people and process through all stages of the management cycle. The key components of the performance management cycle typically group into three broad areas:

- Plan: Align the business to deliver on strategy; through planning and budgeting;
- Monitor: Run the business and monitor performance through aligned operational, management and external reporting and analysis; and,
- Intervene: Active intervention to realign the business using management information to manage performance and forecast future needs.

The need for this audit of the Correctional Service of Canada's (CSC) strategic performance information was identified as part of the Internal Audit Branch Audit Plan for 2008-09. Specifically, the Audit Plan stated that,

“The objective of this audit will be to provide reasonable assurance that the management framework in place to support effective performance management and corporate reporting across the organization is adequate and effective. The focus of this audit will be strategic in nature, emphasizing CSC's overall performance management framework in place to support corporate reporting and governance.”

The audit was conducted by Internal Audit, with the assistance of Deloitte, and primarily focused on how the management framework for strategic performance information is carried out by and supports Senior Management acting in the following capacities:

- Commissioner: As the deputy head, sets performance objectives, approves performance indicators and monitors actual performance;
- EXCOM members: Supports the Commissioner and serves as the top-level management committee, reviewing performance objectives, indicators and reports, and determining management responses;
- Performance Assurance²: responsible for ensuring mechanisms are in place to measure, quantify, monitor and analyze CSC's performance;
- National Committee Chairs: responsible for the management of Committees such as Transformation, National Health Services, and Policy and Communications, including the integration of strategic information from across CSC in support of decision-making and performance management;

² The Performance Assurance Sector, which included the Performance Management Branch, was merged with the Policy and Research Sector in 2008-09. The new sector was renamed as the Policy Sector and the Assistant Commissioner Policy now has responsibility for performance management.

- Regional Deputy Commissioners: responsible for CSC operations, managing performance against CSC and regional objectives within their respective regions; and,
- Assistant Commissioners: responsible for establishing indicators for performance, systems and standards for the collection of performance information and for monitoring and supporting RDC's in managing performance within their respective policy areas.

CSC's results and performance objectives are supported by a range of controls that permit management to establish and review performance objectives and corresponding performance targets and indicators. Controls in this area also encompass the processes to monitor financial and operational performance on an ongoing basis and the degree to which performance results are fed back into the planning process and articulated in key corporate reports. The performance management system should be used as a vehicle through which changes or risks to the internal and external operating environment are proactively reviewed and considered. Performance management is a key management tool, supporting all of CSC's strategic outcomes and priorities; more directly, it supports the stated priority of "strengthening management practices", as articulated in CSC's Report on Plans and Priorities. Effective performance management and reporting are key to improving management practices, good governance, transparency and accountability, and serve as control functions for important corporate risks (e.g. security, human resources management, infrastructure management and planning and information management/technology investment).

On an annual basis, CSC is assessed under the "Management Accountability Framework (MAF)" which sets out Treasury Board's expectations of senior public service managers for good public service management. The MAF is structured around 10 key elements that collectively define "management" and establish the expectations for good management of a department or agency. The following table provides a summary of MAF assessment ratings over the last 3 years in areas relating to performance information and related management practices which provides context for the audit in the CSC environment:

HIGHLIGHTS FROM CSC'S MAF ASSESSMENT	2006 RATING	2007 RATING	2008 RATING
Utility of the Corporate Performance Framework (e.g. PAA alignment with CSC's mandate, measurability of strategic outcomes)	Acceptable	Acceptable	Acceptable
Effectiveness of the Corporate Management Structure (e.g. alignment and integration of corporate business plans with corporate priorities)	Acceptable	Strong	Strong
Quality of Performance Reporting (e.g. DPR, RPP including source of data, quality of information, and strategic context)	Acceptable	Acceptable	Acceptable
Effectiveness of Corporate Risk Management (e.g. corporate risk profile)	Acceptable	Acceptable	Acceptable

2.0 AUDIT OBJECTIVES AND SCOPE

2.1 Audit Objectives

The objective of the audit was to obtain reasonable assurance that key management processes and controls are adequate and effective in the following areas:

- a) Senior Management Reporting - Performance management information meets the needs of Senior Management for monitoring and strategic decision-making at the corporate or enterprise level;
- b) Region/Sector Reporting - Performance management information meets the needs of region/sector leaders for monitoring and strategic decision-making at the business unit level;
- c) Integrating Performance Information - Information sources are consistent and integrated at various levels of the organization (i.e. Senior Management, top-level committees, Regional/Sector Management); and,
- d) Information Quality - Report development and quality assurance processes are in place to ensure that quality, reliable, and standardized information are provided to Senior Management and the Regions/Sectors.

Specific criteria related to each of the objectives are included in **Annex A**.

2.2 Audit Scope

As part of this engagement, Internal Audit performed a high level risk assessment of CSC's strategic performance information through a preliminary survey. Based on the results of the preliminary risk assessment, an audit program was designed to obtain reasonable assurance that the management framework in place to support effective performance information across the Department is adequate and effective. Since the audit had a strategic focus, not all areas of the Performance Management Framework were covered as the focus was on key reports and processes. In addition, because financial reporting was the subject of a separate audit (the Audit of Financial Planning, Budgeting and Monitoring³), it was not an area of focus in this audit.

During the preliminary risk assessment, a number of aspects of performance management information were assessed through interviews and document review. The findings were grouped into seven types of risk. Using risk rating criteria, the focus for the audit was reduced to the following interrelated areas: Senior Management Reporting; Integrating Performance Information; and Information Quality. In addition, the audit was focused primarily on the following sources of strategic performance information:

³ See [http:// www.csc-scc.gc.ca/text/pa/iapp-toc-eng.shtml](http://www.csc-scc.gc.ca/text/pa/iapp-toc-eng.shtml) for a copy of the "Audit of Financial Planning, Budgeting and Monitoring" on CSC's departmental website.

- Report on Plans and Priorities (RPP) - outlines CSC priorities and commitments and maps these to the CSC Program Activity Architecture (PAA);
- Mid-year and year-end performance reviews - covers all 132 RPP commitments and describes whether commitments are on time and on budget, summarized on a 4 quadrant grid. The reviews identify each commitment and milestone, status, explanation of variances, and Office of Primary Interest (OPI) responsible for the priority;
- Corporate Risk Profile (CRP) – depicts the corporate risks identified for CSC in a risk matrix. Identified risks appear in descending order of residual (total) risk exposure with a weighted value;
- Human Resources (HR) Strategic Plan – relates to the three-year Strategic Plan for Human Resource Management. The plan focuses on four priorities for CSC: strengthening its human resource management practices; building an effective representative workforce; providing learning, training and development; and improving workplace health and labour relations. The plan also includes measurement strategies for HR priorities; and
- Transformation Plan – describes progress on the Transformation Initiative, established to implement the CSC Review Panel's 109 recommendations.

The Atlantic and Ontario regions as well as the Correctional Operations and Programs (COP) and HR sectors were selected for review in order to provide a reasonable sample of business units.

The audit scope did not include substantive testing of data/information contained within various strategic performance reports, but instead focused on processes and controls designed to ensure the quality of data.

3.0 AUDIT APPROACH AND METHODOLOGY

The approach and methodology used was consistent with the Internal Audit standards as outlined by the Institute of Internal Auditors, and was aligned with the Internal Audit Policy for the Government of Canada.

A planning phase was completed to identify key risks related to CSC's strategic performance information which should be explored further in the conduct phase.

In the conduct phase, evidence was collected using the following techniques:

- **Interviews:** A total of 17 interviews were conducted at National Headquarters (NHQ) and regional levels – 6 Regional Deputy Commissioners/Assistant Commissioners, 2 Regional Performance Analysts, 3 Sector Performance Analysts and 2 representatives of the Performance Assurance Branch and 4 other interviews with various CSC staff members.
- **Review of Documentation:** Relevant documentation such as process documentation, procedures and sample performance reports at the National, Region and Sector levels.

- **Walkthroughs:** Step by step walkthroughs of key reporting and quality control processes to document steps, identify roles and responsibilities and document evidence of compliance with key controls.

Upon completion of the conduct phase, the reporting phase entailed analysis of the results of the audit procedures conducted, synthesis of results, development of a draft report, review and validation with management, and the finalization of the report. A table summarizing sites examined is included in **Annex B**.

4.0 AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Senior Management Reporting

During the planning phase, concerns were raised that there did not appear to be an established, scheduled and focused reporting suite for Senior Management or the top-level committees used for monitoring the Department's strategic initiatives. The lack of a shared reporting approach and standardized, focused reporting suite would increase the risk that executive and committee decisions are not being made on consistent data, that points of integration are not given due consideration, and that the most critical priorities are not given sufficient attention.

We assessed the degree to which performance management information is meeting the needs of Senior Management for monitoring and strategic decision-making at the enterprise level. To facilitate this assessment, we have assumed, for the purposes of this audit, that the strategic commitments of CSC were accurately captured in existing planning documents. Based on the findings in the Preliminary Risk Assessment, it was decided to focus on the Report on Plans and Priorities (RPP), Corporate Risk Profile (CRP), HR Strategy and Transformation Plan.

We expected to find that CSC has processes and controls at the enterprise level to ensure that Senior Management is provided with performance information to monitor progress against stated strategic priorities and objectives as well as to assist in strategic decision-making.

Overall, CSC has adequate processes and internal controls for ensuring that strategic performance information is aligned with strategic priorities and objectives and generally contain key data elements necessary for monitoring and strategic decision-making at the enterprise level; however, the overall volume of priorities and commitments, if not addressed, could undermine Senior Management's ability to actively manage performance.

Based on our interviews and documentation review, Executive Committee (EXCOM) members receive and use a core set of strategic performance management information including:

- Departmental Performance Report (DPR);
- Mid-year and year-end performance reviews;
- Corporate Risk Profile (CRP) reviews;
- HR Strategic Plan Updates/Progress Reports; and
- Transformation Plan and Updates/Progress Reports.

The audit observed good manual processes in the Office of the Commissioner and the Performance Assurance group to track priorities and commitments related to the RPP and CRP in particular, and to proactively manage the production of performance information for discussion at EXCOM at appropriate intervals. Forward agenda management appears to be effective at ensuring follow-up on commitments. In addition, a process outlined in the “Process for Decision-Making” deck has been implemented that requires EXCOM members to complete a decision-making checklist before submissions are brought before EXCOM. The sponsoring EXCOM member is required to address all significant issues in the checklist including an explanation of how the submission relates to CSC priorities, whether consultations have been made and how it links to other CSC initiatives.

Performance Assurance provides effective leadership to CSC in tracking and reporting on RPP commitments and corporate risks. Reasonable processes were reported by leaders in HR and Transformation on the preparation of progress reports against their strategic plans.

We noted, however, that the overall number of items being tracked is substantial. For example, there are 132 RPP commitments, 16 corporate risks with mitigation strategies, 109 recommendations from the Panel Report relating to the Transformation agenda, Strategic HR Plans, an Aboriginal Accountability Framework and other plans, each with numerous action and results indicators. CSC also tracks other operational commitments including those to external stakeholders such as the Office of the Correctional Investigator (OCI). As such, there are hundreds of commitments tracked on an annual basis at CSC by National Head Quarters, sectors and regions. This multiplication of commitments is mitigated somewhat by the fact that CSC leaders consistently cite the RPP as the top-level statement of priorities for the Service and that RPP commitments have been grouped under five higher-level Commissioner’s priorities. However, it remains a challenging volume of items to be tracked at the strategic level.

An emerging practice at the region/sector level which may provide a useful model for CSC overall was noted in COPS where the Assistant Commissioner has begun planning an initiative to determine which reports and monitoring activities no longer provide a benefit to CSC and should be discontinued. The expected outcome of this

exercise is to enable COPS to focus its limited resources more effectively on areas relating to the Sector's key priorities.

The audit team also noted that the performance indicators tracked include a significant number of activity (e.g. assessments completed) and project-type metrics (e.g. budget, timelines, milestones) and a more limited number of outcome indicators. For example, the Transformation Team currently monitors progress by tracking the number of work plans that have been completed by CSC staff; these metrics are important, however, they will not enable CSC to assess achievement of the ultimate outcomes of these initiatives. CSC needs to clearly establish the long-term basis of measurement to monitor the results of its initiatives and investments (specifically for high importance/impact objectives), in addition to resources, activities and project milestones.

The EXCOM 'Dashboard' is considered a key ongoing tool for CSC to monitor the status of RPP commitments (on time and on budget), supplementing the periodic hard-copy reports provided to EXCOM members. The Dashboard has direct links to more detailed performance information on specific items, the description of the status and any remedial plans. It is updated on a quarterly basis by the Performance Assurance group. Yet, for the EXCOM members interviewed, the Dashboard is not widely used as it is perceived as too high level in the way it presents RPP commitments (on time and on budget) and National, HR and RPP results (critical, caution, normal). In addition, some individuals stated that they are not familiar with how to effectively use it. Improvements to the EXCOM Dashboard and/or education on its use are required to make it more relevant, useful, accessible and sufficiently results-oriented for Senior Management.

CONCLUSION

Overall, CSC has a strong discipline in reporting against commitments at the corporate level but CSC is facing a data volume challenge and there are opportunities to improve some of the department's key reporting tools. Performance Assurance⁴ has a number of initiatives underway to improve performance monitoring at CSC. Notably:

- Performance Assurance has updated the Performance Management Framework to consolidate RPP commitments, CRP issues and other commitments into one document under the Program Activity Architecture, which proposes to use indices to monitor performance where possible. The effective use of indices will help provide to Senior Managers a richer, more representative picture of performance and outcomes; and
- Performance Assurance is moving to expand the CRP to include functional risks from sectors and regions. This will eliminate the need for separate tracking of risk profiles at different levels of the organization and help in integrating goal setting at the national, regional and sector levels.

⁴ The Performance Assurance Sector, which included the Performance Management Branch, was merged with the Policy and Research Sector in 2008-09. The new sector was renamed as the Policy Sector and the Assistant Commissioner Policy now has responsibility for performance management.

RECOMMENDATION 1

The Assistant Commissioner, Policy in collaboration with the Assistant Commissioner, Human Resource Management, the Assistant Commissioner, Correctional Operations and Programs, Assistant Commissioner, Corporate Services and Director General, Executive Services should:

- undertake an initiative to rationalize and prioritize the commitments made by CSC with a view to streamline the metrics and reporting frequency used to monitor commitments (based on priority levels) and to focus on a critical subset of reports covering key aspects of operations, human resources and finance. Once CSC's reporting and monitoring practices are at a sufficient level of rigour and discipline, consideration should also be given to delegating ownership for monitoring lower priority commitments to lower levels of the organization (i.e. lower than EXCOM), where applicable.

RECOMMENDATION 2

The Assistant Commissioner, Policy should solicit user feedback on the EXCOM dashboard tool with a view to make it more pertinent to their needs.

4.2 Common Reporting for Regions/Sectors

As with Senior Management Reporting, concerns were expressed that different region/sector senior managers are not basing their strategic decisions on a core platform of information and that there is a lack of sharing of information between regions, sectors and functions. In a department where the vast majority of people and budget are in the regions, it is especially critical that corporate objectives are clearly assigned to the regions, and that the regional leaders monitor their performance against these objectives.

We expected to find that CSC Regional Deputy Commissioners (RDCs) and Assistant Commissioners (ACs) receive and use the same core performance management information, adjusted for regional/sector differences, to manage strategic performance at the business unit level.

While RDCs and ACs are provided with regional performance information through national reports, there are many distinct reports at the sector and regional level, with some opportunities to streamline and standardize some reports.

A variety of reports provide performance information by region or sector including: mid-year and year-end reviews; performance agreements; CRP mid-point and year-end reports; and HR Strategy Reports. Our review of region and sector performance reports, however, found a wide variety of other report formats, performance indicators

and areas of emphasis. There is an opportunity to streamline and standardize some reports (e.g. trend analysis reports) across regions/sectors, allowing region and sector performance analysts to focus on truly unique reporting and analysis needs.

The lack of a standardized set of regional reports creates a risk that region/sector senior managers may not be basing their strategic decisions on a common platform of information (e.g. data definitions, time frames, etc.). In addition, there is a risk of duplication of effort as similar reports are being produced in different regions/sectors. Examples of region and sector reports that may benefit from greater standardization and consistency in content include mid-year performance reviews, 10 year trends for releases, 10 year performance summary reports, population management reports, and reports on year-to-date output indicators. It is expected that the implementation of recommendations # 1, 2 and 4 will address these issues.

There is a lack of established process to disseminate corporate strategic priorities (i.e. from the RPP) and performance indicators in a way that is relevant to regional operational managers (e.g. Wardens). While the performance agreement process is used as a proxy in some areas, it is not considered an effective tool for monitoring regional and national priorities in the regions/sectors.

Part of the explanation for the divergence in approaches to performance reporting may be that there does not appear to be consistent planning processes at the region/sector level where national priorities can be translated into specific sub-objectives for each region/sector. Additionally, corporate objectives are not systematically allocated to the regions/sectors – for instance, a national target to reduce recidivism in the aboriginal population is not formally sub-divided or prioritized amongst the regions based on criteria such as aboriginal population characteristics, aboriginal programs, etc. As a result, although there was strong knowledge of the national priorities, regional personnel could not consistently say what their regional target or goal was to support a given national objective.

A good practice in this regard is the Prairie Region “National Plan Matrix” for HR, which expressly documents regional HR targets and commitments aligned with the national HR Strategy deliverables and measurement strategies. Some of these regional commitments are then added to individual performance agreements.

A related issue concerns the role of performance analysts in the regions. While only Ontario and Atlantic were examined in detail, performance analysts appear to play different roles in different regions. However, in a recent decision (April 2009) by EXCOM, this issue was addressed. EXCOM approved the amalgamation of Policy and Planning with Performance Assurance at the regional level with Regional Administration Policy and Planning as lead. The model establishes a clear separation between the operations and the performance measurement functions and will provide for consistency across regions.

CONCLUSION

While national reports provide performance information for the regions/sectors, more could be done to support their strategic performance information needs, notably by building more effective processes to cascade corporate commitments and objectives to regions and sectors, and ensuring there is appropriate support within the region to monitor performance. At present, the regions/ sectors lack a comprehensive core platform of regional/sector performance information that integrates strategic, operational, Finance and HR perspectives.

RECOMMENDATION 3

The Assistant Commissioner, Policy should lead the development of a formal process to cascade national strategies, priorities and commitments to the sectors and regions in order to provide a stronger base for performance management at the region/sector level.

4.3 Integrating Performance Information

At the strategic level, CSC relies on a set of executive committees with different functional responsibilities (Operations, Finance, HR, Health Services, Policy and Communications, Transformation, the Audit Committee, and others) to manage issues, analyze options and make recommendations to EXCOM and the Commissioner. The preliminary risk assessment raised concerns that “silos” analysis and performance information was affecting the quality of decision-making. We reviewed the way different decision makers and committees at the national level obtain and use information as they consider strategic decisions such as planning and policy making. In particular, we focused on the National HR Committee and the Transformation Committee.

We expected to find that established processes and internal controls exist to ensure that national committees interface and interact with each other to share strategic information, consult on key decisions, and solicit input on key CSC initiatives.

Overall, CSC has adequate processes and internal controls for ensuring that national committees interface and interact with each other to share strategic information and provide their input on key CSC initiatives at EXCOM.

During the preliminary risk assessment phase of this audit, concerns were noted about past proposals raised by national committees that did not incorporate important regional or sectoral considerations and information. However, the audit identified several factors which seem to mitigate this risk to an acceptable level. First, this risk is mitigated by the fact that national committees do not have decision-making power – that is reserved for EXCOM or the Commissioner. Second, the Director General, Executive Services has recently implemented a decision-making checklist, as described in the “Process for Decision Making – EXCOM” deck, that requests verification that appropriate

consultations have taken place prior to an issue being presented to EXCOM. Third, the broad membership of EXCOM, with representation from all regions and all functional areas ensures that multiple perspectives are considered and that concerns with any proposals or the supporting performance information presented by national committees can be raised. This integration has been further strengthened by the amalgamation of the National HR and National Finance committees into EXCOM during the fall of 2008.

At this point, the processes behind the new decision-making checklist are informal, making it difficult to assess the effectiveness with which performance management information has been shared between national committees. It would be advisable to assess the impact of the decision-making process within the next six to twelve months to see if more formal supporting processes are required, such as rules around the timing of inter-committee consultations.

CONCLUSION

Given that decisions are made by EXCOM on the recommendation of a national committee, and given the implementation of the new decision-making process (to ensure proposals and performance information presented to EXCOM by national committees have been consulted on and use integrated information), overall the process to ensure national committees interface appear to be adequate. Nonetheless, at an appropriate time, the results of the new decision-making process should be assessed to determine its effectiveness since implementation in late 2008. In addition, for national committees outside of EXCOM (e.g. National Health Services, Policy and Communications, Transformation, Audit Committee and others), there is some evidence that national committees interface and interact with each other to share strategic information; however, given the informality of this process, the degree to which integration takes place effectively between these committees is unclear and it could be better captured by the implementation of the decision-making process.

RECOMMENDATION 4

The Director General, Executive Services should conduct an assessment of the impact of the new decision-making process within the next six to twelve months to confirm if it is effective in ensuring appropriate consultations are being completed and integrated information is being used.

4.4 Information Quality

With its highly operational mandate, CSC maintains extensive systems and processes to track a wide variety of information and performance metrics. While this provides CSC with a rich source of data from which to draw strategic performance information, concerns were raised with respect to the quality and consistency of data used to enable management decision-making, with specific references being made to OMS data quality. Contributing factors noted in the Preliminary Risk Assessment included a lack of

clear understanding of management's information needs as well a lack of depth in the use of data sources, sets and assumptions used in the report preparation process. To understand potential areas of weakness in this area, the audit team reviewed key controls and activities relating to processes for extracting data, determining how management's data needs are addressed, and the quality assurance process followed to ensure that data is relevant, accurate, contextualized and integrates all information relevant to management. Our focus was to examine quality assurance processes rather than system automated controls of CSC information systems.

We expected to find quality assurance processes and internal controls to ensure that strategic performance information includes key assumptions, data sources, contextual analysis and integrates cross-functional information before being released to CSC executives for strategic decision-making and monitoring purposes, and that assumptions, sources and cross-functional issues are clearly disclosed in the reports.

Senior Management currently mitigates the risk of potential inaccuracies in performance data by drawing upon its experience and corporate knowledge to identify anomalies in performance management data; however, there does not appear to be an established process for capturing and documenting long-standing corporate knowledge or building this experience/knowledge into systems/reports.

Performance information generated in the regions, sectors and by Performance Assurance undergo multiple reviews before being passed on to EXCOM, the Commissioner or externally. The more public the information is expected to be, the higher the level of scrutiny applied. The review process is not standardized across regions and sectors, but seems to minimally include review by one to two performance analysts and an AC/RDC. While these review processes seem to have been generally effective at ensuring quality information, they rely on the experience, specialized knowledge and corporate memory of the performance analysts and senior managers. There are limited system level controls and very limited documented processes, standards or protocols to assist in the review process. As such, these management controls would be at significant risk with the turnover of a relatively small number of key staff. And even with these management controls, there remains a risk that information quality issues will still be faced periodically unless more rigour and formalized processes are put in place.

Currently, there are not complete data standards or common data definitions to ensure that staff inputting data into CSC systems and those extracting data from the systems have a clear understanding of how this information meets CSC's needs for strategic decision-making. In particular, there are concerns where a strategic objective is measured using data that comes from unstructured fields (i.e. text boxes) within the Offender Management System (OMS). It must be acknowledged that OMS was not originally designed to generate statistics but rather to automate the work of CSC staff. The system was largely designed by end-user input; however, there has been significant change and redesign of how staff conduct their work over the years which

has contributed significantly to the challenges of extracting data. In addition, OMS does not have the capacity to generate all the data needed for statistical reporting and work around methods have been and will remain necessary given the design of OMS. All of these factors have contributed to the lack of complete data standards and data definitions in OMS.

Significant risks to base data quality were noted consistently during interviews with CSC staff. This was true of both HR data and operational performance data drawn from OMS. A number of factors were cited as contributing to this risk:

- Lack of training for front-line users who are responsible for data input;
- Lack of common or enforced data definitions;
- Lack of documented processes/analysis to provide a verification trail; and
- Limited resources in performance analysis/data quality.

The small community of performance analysts at CSC provides a very valuable function to the department. By combining their knowledge of correctional operations and their understanding of OMS and other data bases, they are able to mitigate many of the risks noted above. However, this group is small (six to twelve staff) and made up primarily of employees approaching retirement. Succession planning for this group will become critical in the next five years.

In addition, for the last 2 years, CSC's Change Advisory Board (CAB) has served to assess the impact of OMS changes on related systems, data queries and reports, and to ensure that affected parties are informed about these changes. CAB includes representation from the Performance Assurance and OMS group. Although this established process is in place, there appears to be opportunity for improvement for coordination between the OMS systems team, the Performance Assurance Group, and Regional/Sector Performance Analysts as expressed in multiple interviews. Performance Assurance analysts expressed concern that changes were sometimes being made to the data structure in OMS without their knowledge or input. All changes to OMS source data create additional effort to update queries and reports, but changes that are not communicated create a risk that unreliable data could be unknowingly provided to decision-makers or external stakeholders. Given the impact that OMS changes have on CSC, it is important that the change management process administered through CAB is followed to minimize operational inefficiencies and risks to reporting integrity.

It should also be noted that Performance Assurance has established a small data quality team. This team will manage data quality more proactively, but the level of resources is limited. They run queries to test data in known areas of weakness and are beginning to write some procedures to improve data entry and quality testing.

In the area of HR information, HR has resolved a number of data definition questions by adopting standard definitions used in the broader public service. This will allow them to focus more effort on other aspects of information quality and interpretation⁵.

CONCLUSION

Although quality assurance processes and internal controls exist to ensure that strategic performance information includes key assumptions, data sources and analysis, systemic risks are evident within the key data holdings of the department. A number of procedures are in place to mitigate the risks related to information quality, however, these mitigating strategies will be more sustainable if they are documented and there is a commitment to maintain a core group of individuals with the specialized knowledge and skills related to operational performance information.

RECOMMENDATION 5

The Assistant Commissioner, Policy should document and implement a comprehensive approach to quality assurance (QA) on strategic operational information, including the following:

- Documentation standards – analytical techniques, data sources, assumptions, cross-functional issues, etc.;
- Roles and responsibilities – clarify roles and responsibilities for data quality;
- Training requirements – improve training for data input and analysis for front-line staff; and
- Regional processes – standards to ensure consistency in report development and QA processes in the regions.

⁵ It should be noted that the Internal Audit Branch plans to conduct an Audit of HR Data Integrity in 2009-10.

Annex A

AUDIT OBJECTIVES AND CRITERIA

Based on the Preliminary Risk Assessment, it was determined that the audit should focus on Senior Management Reporting as well as criteria related to Integrating Performance Information, and Information Quality. The objective of the audit is to obtain reasonable assurance that key management processes and controls are adequate and effective in the following areas:

- a) Performance management information meets the needs of Senior Management and the Regions/ Sectors for strategic decision-making;
- b) Information sources are consistent and integrated at various levels of the organization (i.e. Senior Management, top-level committees, Regional/Sector Management); and,
- c) Report development and quality assurance processes are in place to ensure that quality, reliable, and standardized information are provided to Senior Management and the Regions/Sectors.

The following table maps the control objectives mentioned above to audit criteria and related key audit procedures for gathering evidence.

OBJECTIVES	CRITERIA
1. Performance management information meets the needs of Senior Management and the Regions/ Sectors for strategic decision-making.	1.1 Established processes and internal controls exist to ensure that key performance information provided to Senior Management is aligned with stated strategic priorities and objectives and include elements to assist in monitoring and strategic decision-making.
	1.2 CSC Regional Deputy Commissioners (RDCs)/ Assistant Commissioners (ACs) receive and use the same core performance management information, adjusted for regional/sector differences.
2. Information sources are consistent and integrated at various levels of the organization (i.e. Senior Management, top-level committees, Regional/Sector Management)	2.1 Established processes and internal controls exist to ensure that National Committees interface and interact with each other and share strategic information and their input on key CSC initiatives.

<p>3. Report development and quality assurance processes are in place to ensure that quality, reliable, and standardized information are provided to Senior Management and the Regions/Sectors.</p>	<p>3.1 Quality assurance processes and internal controls exist to ensure that strategic performance information includes key assumptions, data sources, and analysis and integrates cross-functional information before being released to CSC executives for strategic decision-making and monitoring purposes. Assumptions, sources and cross-functional issues are clearly disclosed in the reports.</p>
---	--

Annex B

LOCATION OF SITE EXAMINATIONS

REGION	SITES
NHQ	<ul style="list-style-type: none">• Performance Management• Correctional Operations and Programs Sector• Human Resource Management
Atlantic	<ul style="list-style-type: none">• Regional Headquarters• Performance Management
Ontario	<ul style="list-style-type: none">• Regional Headquarters• Performance Management

Annex C

**AUDIT OF STRATEGIC PERFORMANCE MANAGEMENT INFORMATION
MANAGEMENT ACTION PLAN**

RECOMMENDATION	ACTION SUMMARY	OPI	PLANNED COMPLETION DATE
<p>Recommendation #1: The Assistant Commissioner, Policy in collaboration with the Assistant Commissioner, Human Resource Management, the Assistant Commissioner, Correctional Operations and Programs, Assistant Commissioner, Corporate Services and Director General, Executive Services should:</p> <ul style="list-style-type: none"> undertake an initiative to rationalize and prioritize the commitments made by CSC with a view to streamline the metrics and reporting frequency used to monitor commitments (based on priority levels) and to focus on a critical subset of reports covering key aspects of operations, human resources and finance. 	<p>1. Creation of a working group under DGPPP</p>	DGPPP	2009-08-15
	<p>2. Creation of a total list of commitments</p>	Working Group	2009-10-01
	<p>3. Agreement on a system of prioritization, by categories, and application of the system to the list</p>	Working Group	2010-01-31
	<p>4. Agreement on the relevant metrics for each category or item on the list</p>	Working Group	2010-01-31
	<p>5. Agreement on the frequency of review for each category and on a schedule for phased release of products.</p>	Working Group	2010-01-31
	<p>6. Development of a list of operations, human resource and finance reports based on the list of commitments.</p>	Working Group	2010-01-31
	<p>7. Obtain Excom approval for results 1 through 6.</p>	ACP	2010-02-28
	<p>8. Implement process and reporting</p>	EXCOM	2010-04-01
	<p>9. Monitor process through Excom agenda and records of decision. Report on progress and review outcome, annually, at the Strategic Planning session.</p>	(report) ACP (review) EXCOM	2010 -09 2011-09 2012-09 etc.

RECOMMENDATION	ACTION SUMMARY	OPI	PLANNED COMPLETION DATE
<ul style="list-style-type: none"> Once CSC's reporting and monitoring practices are at a sufficient level of rigour and discipline, consideration should also be given to delegating ownership for monitoring lower priority commitments to lower levels of the organization (i.e. lower than EXCOM), where applicable. 	<ol style="list-style-type: none"> 1. Completion of first review of process and results 2. Analysis of the findings with a view to recommending options for a matrix of accountability for monitoring and reporting. 3. Consultation with Sectors/ RHQ on options 4. Excom approval of an option for a matrix. 5. Implement matrix and monitoring. 6. Annual review of the matrix at Strategic Planning session. 	<p>EXCOM</p> <p>Working Group</p> <p>ACP</p> <p>ACP</p> <p>ACP</p> <p>(report) ACP (review) EXCOM</p>	<p>2010-09</p> <p>2010-10</p> <p>2010-12</p> <p>2011-02</p> <p>2011-04-01</p> <p>2011-09 2012-09 etc.</p>
<p>Recommendation #2: The Assistant Commissioner, Policy should solicit user feedback on the EXCOM dashboard tool with a view to make it more pertinent to their needs.</p>	<ol style="list-style-type: none"> 1. Consultations are held with Sector, RHQ, and Operations managers to refine their management reporting requirements 2. Existing reporting tools are reviewed for opportunities for short-term improvements 3. Develop schedule of phased release of improvements to systems. Release improvements according to schedule. 4. Consultations with IM/IT Units for technological options for long-term improvements 5. Develop options, including costing estimates for review by IMTSC 6. Collaboratively present options to Excom for approval and possible funding 7. Implement approved long-term option 	<p>DGPPP</p> <p>DGPPP</p> <p>DGPPP</p> <p>DGPPP</p> <p>DGPPP</p> <p>ACP/ ACCS</p> <p>DGPPP</p>	<p>Ongoing 2009-2011</p> <p>2009- 12-31</p> <p>2009-12-31</p> <p>2009-12-31</p> <p>2010-03-31</p> <p>2010-06-15</p> <p>2011-03-31</p>

RECOMMENDATION	ACTION SUMMARY	OPI	PLANNED COMPLETION DATE
	<ol style="list-style-type: none"> 8. Monitor usage and client satisfaction. Modify as needed. 	DGPPP	Annually or following major policy /program change
<p>Recommendation #3: Assistant Commissioner, Policy should lead the development of a formal process to cascade national strategies, priorities and commitments to the sectors and regions in order to provide a stronger base for performance management at the region/sector level.</p>	<ol style="list-style-type: none"> 1. Develop a list of operations, human resource and finance reports based on the list of commitments. 2. Develop process with Regional Administrators Policy and Planning for cascading products downwards and reporting upwards. 3. Obtain Excom approval of an option for a matrix of monitoring accountability including some assignments to lower levels in the organization. 4. Deliver training and support to sectors /regions in using existing performance reporting tools. 5. Implement approved long-term option for delivery of performance data. (Recommendation 2 Step 7) 6. Gradually integrate processes into ongoing Business Planning and reporting processes such as RPP, DPR, MAF Assessment, etc. with full integration in 2011-12 documents. 7. Monitor usage and client satisfaction. Modify as needed. 	<p>Working Group</p> <p>ACP</p> <p>ACP</p> <p>DGPPP</p> <p>DGPPP</p> <p>DGPPP</p> <p>DGPPP</p>	<p>2010-01-31</p> <p>2010-01-31</p> <p>2011-02</p> <p>2010-03-31 ongoing with new staff</p> <p>2011-03-31</p> <p>FY 2010-12 and ongoing according to product schedule for RPP, DPR, MAF etc.</p> <p>Annually or following major policy /program change</p>
<p>Recommendation #4: The Director General, Executive Services should conduct an assessment of the impact of the new decision-making process within the next six to twelve months to confirm if it is effective in ensuring appropriate consultations are being completed and integrated information is being used.</p>	<ol style="list-style-type: none"> 1. Discuss the Decision-Making Process at an EXCOM meeting to seek feedback on efficiency and effectiveness. 	A/DGES	2009-10-30

RECOMMENDATION	ACTION SUMMARY	OPI	PLANNED COMPLETION DATE
	<ol style="list-style-type: none"> 2. Complete an analysis of a sample of EXCOM submissions for decision-making since the promulgation of the Decision-Making Process. 3. Consult on the results of draft analysis. 4. Present the analysis to EXCOM for discussion/decision. 5. Implement, and post on Infonet, the EXCOM decision to maintain or adjust the Decision-Making Process. 	<p>A/DGES</p> <p>A/DGES</p> <p>A/DGES</p> <p>A/DGES</p>	<p>2009-11-30</p> <p>2010-01-30</p> <p>2010-03-30</p> <p>2010-04-30</p>
<p>Recommendation 5: The Assistant Commissioner, Policy should document and implement a comprehensive approach to quality assurance (QA) on strategic operational information, including the following:</p> <ul style="list-style-type: none"> • Documentation standards – analytical techniques, data sources, assumptions, cross-functional issues, etc.; • Roles and responsibilities – clarify roles and responsibilities for data quality; • Training requirements – improve training for data input and analysis for front-line staff; • Regional processes – standards to ensure consistency in report development and QA processes in the regions. 	<ol style="list-style-type: none"> 1. Collaboration with Sectors, Regions and IM/IT to develop role and responsibility standards for data definition, data quality, extraction and analysis, and correcting faulty data. 2. Develop a prioritized list of data quality issues and a phased schedule for implementing data quality reports and corrections. 3. Include data quality roles and accountability in policy and procedure materials as Policy Task Force policy revisions are implemented. 4. Collaborate with NHQ Learning and Development / IMIT to create a learning strategy and products to support data quality and utilization. 5. Phase in a documentation library on data quality related issues that includes standards, data definitions, approved data extraction coding, assumptions, issues, etc. 	<p>DGPPP/ DGIMIT</p> <p>DGPPP/D GIMIT/ Sectors/ Regions</p> <p>DGPPP</p> <p>DGPPP/ DGLD/ DGIMIT</p> <p>DGPPP/ DGIMIT</p>	<p>2010-03-31 Ongoing</p> <p>2010-03-31</p> <p>2011-12-31 Ongoing</p> <p>2010-03-31</p> <p>2011-12-31</p>