Audit of the classification function at ECCC

Canada

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Executive summary

Context

This report presents the findings of an internal audit of the classification function at Environment and Climate Change Canada (ECCC) conducted from April to December 2021. This audit was included in the 2021 to 2022 Risk Based Audit Plan. Its objective was to assess the adequacy and effectiveness of the classification function in enabling the Department to meet organizational objectives and needs.

Why it is important

Classification plays a key role in the Human Resources (HR) cycle as it is the foundation for organizational design, HR planning and management of a department's day-to-day workforce. It acts as a critical enabler in ensuring that employees are in the right roles with the right skills at the right cost, thereby supporting a department's accountability requirements and enabling the department to effectively achieve its mandate.

As a science-based department, ECCC's mandate requires highly qualified and specialized personnel with expertise in areas such as meteorological science, data science, scientific and regulatory areas, policy development and transfer payment programs. Furthermore, ECCC's expanding agenda has led to an ongoing increased demand for personnel to support program delivery, and this situation has resulted in a consistently high demand for classification services to meet the HR needs of the Department. The timely provision of classification services is critical to successfully deliver on the Department's priorities and operational needs.

What we found

Overall, a comprehensive classification function and related processes are in place to support the delivery of classification services. Opportunities remain to improve the adequacy and effectiveness of the classification function in enabling the department towards meeting its organizational objectives and needs, particularly in the context of an expanding mandate.

Planning and priority setting

Processes have been established for departmental HR planning and priority setting with regard to classification. Opportunities remain to strengthen strategic planning to support the continued provision of classification services in the context of a growing demand.

Classification services delivery and performance

Roles, responsibilities and authorities related to classification have been clearly defined and documented and some supplementary training is available to classification team and sub-delegated managers. Opportunities for improvement exist in the following areas: understanding by all stakeholders of their roles and responsibilities in the classification process, effective two-way communication during the processing of classification requests, the

implementation and monitoring of service standards and the increased awareness of the impasse resolution process.

Processes, tools and information management

Comprehensive processes, tools and procedures are in place to guide the processing of classification requests. However, some are outdated and guidance on organizational design is limited. Opportunities exist to enhance management of classification related information.

Recommendations

Recommendation 1: The Chief Human Resources Management Officer should, in consultation with branch heads, review classification planning processes to ensure that the Human Resources Branch is receiving the right information at the right time to support resource allocations and manage classification priorities, and inform branches on a regular basis of implementation of its plan.

Recommendation 2: The Chief Human Resources Management Officer should develop, promote and offer supplementary in-house training and guidance to sub-delegated managers on classification themes.

Recommendation 3: The Chief Human Resources Management Officer, in collaboration with Branch Heads, should put in place mechanisms to improve the level of communications and interactions between sub-delegated managers and the classification team throughout the lifecycle of classification requests, including frequency of status updates.

Recommendation 4: The Chief Human Resources Management Officer should develop, implement, monitor and report on service standards and performance metrics for the classification function.

Recommendation 5: The Chief Human Resources Management Officer should reinstate the impasse resolution process and communicate its existence and how it may be used to all branch heads.

Recommendation 6: The Chief Human Resources Management Officer should ensure that classification procedures and guidance available to classification staff are kept up-to date to improve consistency of the processing of classification requests.

Recommendation 7: The Chief Human Resources Management Officer should proceed to the reorganization of existing data repositories to clarify the content of each data repository.

1. Background

1.1 Classification within the Public Service

The objective of the 2021 TB Policy suite on People Management is a high-performing workforce that ensures good governance and service to Canadians, and that embodies public service values, such as respect, integrity, stewardship and excellence in its actions and decisions. As the foundation for planning and management of a department's day-to-day workforce, classification plays a key role in this regard.

The classification domain is composed of organizational design and classification, both processes supporting each other. Organizational design is a formal process of review, research and modelling of an organizational structure based on a set of parameters such as mandate, business objectives, budget, resources, to ensure an optimal structure to meet defined objectives and mandates. Classification is a systematic way to define and organize work, determine its relative value and evaluate job characteristics in order to establish a position's occupational group and level against established criteria. It is designed to ensure an equitable, consistent and effective method to provide a basis for employee compensation across the public service. Classification decisions result in financial decisions that fall directly under the purview of the *Financial Administration Act*. The outcome of classification is the right people at work in the right roles with the right tools and at the right cost, to deliver results for Canadians.

The classification process itself involves an analysis of the functions and responsibilities stated in a work description and an evaluation of their relativity within and across departments. When hiring a new employee, a manager must have a current work description that has been classified to ensure that the person coming into the job clearly understands the expectations. If an employee's duties are changed, the manager must update the work description to reflect the changes and have the updated work description reviewed to determine any changes to the classification and potential impacts on other staff or pay. Delays in any part of the process leading to a classification decision may impact management's ability to staff a position in a timely manner.

Within the Treasury Board Secretariat of Canada (TBS), the Office of the Chief Human Resources Officer (OCHRO) is accountable for developing and maintaining the core public service classification program, ensuring the integrity and the oversight of the program, maintaining central information management systems, issuing classification accreditation and issuing final classification grievance decisions. Treasury Board (TB) delegates the authority to classify positions to deputy heads who are responsible for managing classification activities in accordance with TB policy requirements. Deputy Heads are responsible for delegating classification authority, other than the authority to decide and respond to classification grievances, only to persons who are accredited in organization design and classification.

Accredited classification advisors are the only employees in Departments who have the authority to approve and sign-off on classification decisions. To be accredited, they have to complete the components of the TB Organization and Classification learning curriculum. The

program is composed of mandatory training and completion of classification case submissions that demonstrate the classification advisors' knowledge of the classification function. Classification advisors usually complete the program over a period of 3 years. While the demand for this specialized function has increased, there remains a chronic shortage of accredited classification advisors across the federal public service, with approximately 450 accredited classification advisors for 355,000 positions in the public service.

Classification is subject to the [TB Policy on Management of Executives](#) and the new 2021 [TB Policy suite on People Management](#) that includes the [TB Directive on Classification](#), the [TB Directive on Classification Oversight](#), and the [TB Directive on Classification Grievances](#). The new Directive on Classification formalizes the role of the Head of Human Resources with clearly articulated responsibilities in support to the Deputy Minister's authority and accountability.

The classification framework imposes a rigid operating structure to departments. The program has 72 different standards for 29 occupational groups, each of which requires intensive time and resource commitments to address frequent changes to priorities and to complete conversions in a context of shortage of expertise in classification.

1.2   Classification at ECCC

Roles and responsibilities

Responsibilities for classification and organizational design within ECCC are shared between the Chief Human Resources Management Officer, managers with HR delegation authorities (also named sub-delegated managers in this report) and classification advisors.

The Chief Human Resources Management Officer is responsible for the delivery of classification activities and services in accordance with TB policy instruments. Sub-delegated managers make decisions about the work assigned to employees and are responsible for ensuring that efficient and cost-effective organizational structures support their business requirements. To this end, they are required to write the job description, submit classification requests on a timely basis, manage their positions and, when required, participate as a trained member in the classification evaluation process.

Classification advisors are specialists in classification who work in the Integrated Classification and Staffing Solutions Directorate within the Human Resources Branch. In keeping with the requirements of the TB policy instruments on classification, the Deputy Minister has delegated the authority to make and approve classification decisions to accredited classification advisors who have completed the components of the TBS Organization and Classification Learning curriculum. Accredited Classification advisors use the organizational structure and job descriptions to evaluate work against TBS tools and standards and comparable work within ECCC or in other departments.

Recent changes and initiatives

In August 2021, the Human Resources Branch officially launched the new Centre of Expertise for Organizational Design and Classification, which is responsible for establishing the governance framework for all aspects of organizational design and job evaluation services and for delivering classification services to positions at all levels within the organization, including senior management (EX level). 7 of the staff members are accredited classification advisors. Prior to August 2021, 3 teams of the Integrated Classification and Staffing Solutions Directorate managed the classification program within the Human Resources Branch.

ECCC is currently processing 3 classification conversion initiatives, as approved by TB, including the Computer Systems, Program and Administrative Services and Financial Management occupational groups. From April 2019 to December 2021, the Integrated Classification and Staffing Solutions Directorate has received about 8,990 classification requests, out of which 7,211 were complete and 978 were in progress.

2.   Objective, scope and methodology

2.1   Objective

The audit objective was to assess the adequacy and effectiveness of the classification function in enabling the Department to meet its organizational objectives and needs.

2.2   Scope

The audit focused on the end-to-end lifecycle of classification activities and related processes, from planning and intake of classification requests to rendering of classification decisions. Transactional testing focused on fiscal years 2019 to 2020 and 2020 to 2021 and the examination covered the period of April 1, 2019 to the completion of the examination phase of the audit in December 2021.

The scope excluded:

- Assessment of classification decisions, classification grievances and senior management (EX) classification

- Treasury Board led conversion initiatives, assessment of classification IT systems (My GCHR) and the accreditation program, since they are outside of ECCC's purview

The audit lines of enquiry and criteria are provided in Appendix A. These criteria were developed based on the results of a risk-assessment conducted during the planning phase.

2.3   Methodology

The audit methodology included:

- a review of relevant documentation, including policies, guidelines, procedures

- interviews of key individuals from the classification team (11) and in the branches (14 senior officials at director to director general levels)

- mapping of the classification process

- a small case study of classification activities for a high-priority project

- analysis and testing of a sample of 21 classification transactions

- survey of 143 managers with human resources delegation authority across ECCC excluding assistant deputy ministers, with a participation rate of 38% (55 respondents)

2.4   Statement of conformance

The audit conforms to the International Standards for the Professional Practice of Internal Auditing, as supported by the results of the quality assurance and improvement program.

3.   Findings, recommendations and management responses

3.1   Planning and priority setting

> **Findings:** Processes have been established for departmental HR planning and priority setting with regard to classification. Opportunities remain to strengthen strategic planning to support the continued provision of classification services in the context of a growing demand.

What we examined

The audit sought to determine whether classification planning processes and priorities were defined and documented both within branches and in the Human Resources Branch. Through interviews with classification staff and sub-delegated managers, the review of documents such as branch human resource plans and the Integrated Classification and Staffing Solutions priorities and a survey of sub-delegated managers, the audit team assessed the extent to which:

- Strategic and operational classification plans were aligned with departmental priorities

- Planning and allocation of resources and prioritization of requests were effective to support the demand for classification services

What we found

The audit found that some classification planning processes and activities were in place within branches and in the Human Resources Branch, with the intent of carrying out classification activities towards desired outcomes.

An annual departmental HR planning process, led by the Human Resources Branch, has been established to collect information from all ECCC branches on their HR requirements and gaps that need to be prioritized. Needs are categorized in 13 key HR management themes, including classification, and ranked by 3 priority levels: low - no immediate attention, medium - address within a year, high - immediate attention. Results are intended to be used by HR disciplines to identify trends and provide support to branches. For fiscal year (FY) 2021 to 2022, 7 of the 12 branches identified classification as "high priority" and provided comments linked to their branch's and to departmental priorities.

The Human Resources Branch defines business priorities related to classification on an annual basis. They are then included in the Integrated Classification and Staffing Solutions Directorate's priorities. For FY 2021 to 2022, the modernization of classification was identified as one of the main business priorities, with action items such as the creation of a Centre of Expertise to support departmental growth and foster a solution-oriented support system, although there was limited evidence that the implementation of these priorities was formally monitored for completion.

The audit also found that an informal process was in place to prioritize classification activities and requests, with a set of common principles well understood by classification staff.

- Classification activities are considered in 3 categories and are prioritized as follows: government wide initiatives (for example TB-led classification position conversions) are dealt with first, because they need to be completed by the date set by Treasury Board; departmental initiatives (for example, initiatives related to TB submissions) are prioritized next; and then branch initiatives.

- Classification requests are prioritized by type of classification request. For example, the creation of a new position is prioritized before a change of reporting relationship request for an existing position, as starting a staffing process is dependent upon the creation of the new position, and therefore time-bound.

- Classification advisors are assigned to client portfolios, which may include 1 or more branch, depending on the size of the branch. To facilitate the re-assignment of classification resources to meet the demand of high-level priorities, a client service distribution list was maintained and shared within the classification team.

These principles were mainly informal. They nonetheless drive the re-assignment of internal resources towards the requests in order of priority, which might result in pausing work on in-progress requests to work on higher-priority requests.

Furthermore, the audit found that some branches used detailed classification requests lists to track their branch's ongoing classification requests. 62% of survey respondents agreed or strongly agreed that they communicate their classification priorities to the classification team.

The classification team members indicated that the 2021 update of the [TB Policy on People Management](#) and the [TB Directive on Classification](#) brought some flexibilities to the classification process. For example, classification assistants can approve classification decisions for lower complexity classification requests such as administrative transactions, thus lightening the workload of the accredited classification advisors and allowing for the re-assignment of work as appropriate.

The audit noted that the classification team undertook the initiative to leverage the flexibilities of the 2021 policy suite update. They identified a set of classification decisions for low complexity occupational groups within specific branches that could be processed and approved by employees training in classification but not necessarily accredited. This approach is expected to increase efficiencies in processing the volume of classification requests over time.

The audit identified 2 areas for improvement regarding the classification planning and priority setting process, as described in the following paragraphs:

- effectiveness of planning and allocation of resources for classification services, in alignment with departmental priorities
- communication and monitoring of classification priorities

Effectiveness of planning and allocation of resources for classification services, in alignment with departmental priorities

The review of individual annual branch HR plans found that they did not provide specific details on planned or potential classification requests for the branch. Rather, they provided only a high-level overview of the branch's priorities for the year. It was unclear how the Human Resources Branch uses this information to forecast and plan delivery of classification activities against current capacity and available resources and to mitigate risks accordingly.

This is particularly relevant in the broader context of significant growth in departmental grants and contributions funding over the last few years. ECCC's grants and contributions budget increased by $674.9 million or 453% from FY 2016 to 2017 to FY 2020 to 2021 and the Department expects to receive additional funding related to the government climate agenda. Given the nature of grants and contributions programming, which is time-bound and usually must be delivered within a specific timeframe, timely planning and resourcing is critical to ensure the successful implementation and delivery of the new grants and contributions programs.

In this context, the audit team examined the management of classification needs related to the priorities identified in the yearly HR plan for the Canadian Wildlife Service (CWS). The results (described in a separate text box) highlight that as the Department continues to expand, it will be critical to reinforce the alignment of classification strategic and operational plans with

departmental priorities, to ensure the efficient and effective use of resources focused on key priority areas.

Case study: Canadian Wildlife Service classification requests for funded initiatives

In 2021, the Canadian Wildlife Services received important funding from the federal government for major initiatives: enhanced Nature Legacy Initiative, Marine Conservation Targets and Wood Bison Initiative. Setting up these initiatives required significant support from HR classification. According to program data, there were about 460 planned classification requests for FY 2021 to 2022. Requests were for a mix of creation of new positions and changes in reporting relationships for existing positions.

Despite a number of good practices implemented by CWS and the classification team to manage this workload, as of December 2021, about 52% of the 238 classification requests submitted had been completed. Only 39 of 102 new positions had been created and 83 of 136 requests for a change in reporting relationship were completed. It is worth noting, however, that requests were submitted gradually over the summer of 2021, with many submitted after August 2021.

Reasons that were cited as contributing to delays by both parties included the inability to plan and create new positions proactively before program funding was approved; the time it took to resource and establish a new HR strategic team in CWS and to implement a prioritization process within the branch once funding was available; and the cascading impact on subsequent actions, such as the submission of classification requests and staffing of newly created positions.

Classification team members offered mitigating solutions, such as identifying and using available positions within the branch to staff positions as necessary. They noted, however, that despite the solutions offered, hiring managers initiated few staffing actions.

CWS program representatives remarked that the delays may significantly impact their programs, resulting in delays of project delivery (including on high-priority areas such as Indigenous engagement), the potential risk of year-end surpluses and a negative impact on the well-being and health of employees.

Communication and monitoring of classification priorities

The audit found that there was no designated governance mechanism enabling frequent, timely and continuous communications between branches and the classification function for the planning and management of requests. The departmental HR Management Committee is the forum used to provide updates on classification activities, but this was done on an ad-hoc basis, as demonstrated by a review of committee minutes for the period under review.

Survey results suggested that a high percentage of sub-delegated managers had a low awareness of departmental classification priorities (22% of respondents agreed with the

statement "I know the departmental classification priorities", 51% disagreed or strongly disagreed and 27% were neutral). Several respondents specifically commented that they were not aware of the Department's classification priorities. When departmental classification priorities are not effectively communicated to stakeholders, there is a risk of misaligned and unrealistic expectations that could lead to lack of trust in the process.

The audit found that various separate trackers were used to document ongoing classification requests and governmental priorities. However, there was no consolidated information of all planned and ongoing classification activities in the Department to facilitate discussions with branches and to inform decision making.

Interviewees from the classification team indicated that they communicate with branches mostly when they received multiple classification requests, to ask branches to prioritize their requests. Interviews with classification advisors also revealed that some were not aware of branch HR plans and that they were not always engaged and invited to the management table. As a result, the classification function is often called upon to respond reactively to sudden shifts in organizational focus, which may negatively affect its ability to support the demand for classification services and enable the delivery of programs in a timely manner.

Recommendation 1
The Chief Human Resources Management Officer should, in consultation with branch heads, review classification planning processes to ensure that the Human Resources Branch is receiving the right information at the right time to support resource allocation, manage classification priorities, and inform branches on a regular basis of implementation of its plan.
Management response
Management agrees with the recommendation.
The Classification team at all levels will work to strengthen their strategic partnership with client branches. In order to do so, it is imperative that both the classification team and branch management teams are aware of the pressures and priorities that each face.
The CHRO will leverage existing committees (that is, EMC, HRMC) to provide information and solicit input into classification initiatives and priorities from the departmental senior management team.
The classification team will develop a formal process for branch management teams to provide clear prioritization of their classification needs/requests, which will be reviewed and adjusted regularly as needed.

3.2   Classification services delivery and performance

Findings: Roles, responsibilities and authorities related to classification have been clearly defined and documented. Some supplementary training is available to classification team members and sub-delegated managers. Opportunities for improvement exist in the following areas: understanding by all stakeholders of their roles and responsibilities in the classification process, effective two-way communication during the processing of classification requests, the implementation and monitoring of service standards and the increased awareness of the impasse resolution process.

What we examined

Branches consider the classification function as a critical enabler that supports them as they deliver on their priorities. Despite a large volume of classification requests completed over the last 2 years (more than 7,200 transactions completed between April 2019 and December 2021) and ongoing work on several major classification initiatives, such as Computer Systems and Program and Administrative group conversions, interviews and survey results were consistent in that the classification function is not currently perceived as client-focused or a strategic business partner.

The audit team's assessment of the following 4 areas provides some insights into the factors and root causes that influence how the classification function is perceived across the Department. Through review of documents, interviews with both classification team members and sub-delegated managers, testing of a sample of classification transactions and a survey of sub-delegated managers, the audit assessed the extent to which:

- Roles, responsibilities and authorities related to classification are clearly defined, documented and understood

- Supplementary training is available for continuous learning and improvement of classification activities at ECCC

- Service is focused on clients and promoted through the use and monitoring of service standards

- Communication processes are in place and are used effectively by the classification team and branches, including processes to resolve impasses

What we found

Roles and responsibilities

Roles, responsibilities and authorities related to the classification function were clearly defined and documented for both the classification team members and sub-delegated managers. They were contained in several sources that were known to staff and available on the Human Resources Branch intranet page. The reference documents include the TB Policy on People

Management, the TB Directive on Classification, the HR Delegation of Authorities and the Manager's Guide to Classification at ECCC.

Specific roles and authorities were defined for classification assistants, classification advisors and accredited classification advisors, and responsibilities and work were assigned accordingly. Advisors become accredited upon completion of the formal TBS Accreditation Program. The Accreditation Program is composed of mandatory training and completion of classification case submissions that demonstrate the classification advisor's knowledge of the classification function. Advisors usually complete the program over a period of 3 years. The accredited advisors are the only employees in the Department who have the authority to approve and sign-off on classification decisions, as delegated by the Deputy Minister in accordance with the TB Directive on Classification.

Interviews and testing of classification transactions showed that roles and responsibilities were generally well understood and adequately discharged by the classification team members.

The audit identified some gaps in terms of the sub-delegated managers' knowledge and understanding of roles, responsibilities and authorities with respect to classification. A high percentage of survey respondents agreed or strongly agreed when asked if they had a clear understanding of their roles and responsibilities with regard to classification and organizational design (75% and 85% respectively). Despite their perceived knowledge, survey results indicate that some respondents do not have a clear understanding of who has authority for classification decisions: 51% of survey respondents believed that classification decisions are a shared responsibility between sub-delegated managers and the accredited classification advisors and 5% believed that sub-delegated managers have authority over classification decisions. As mentioned previously, as stipulated by the TB Directive on Classification, only accredited classification advisors have the delegated authority over classification decisions.

Furthermore, there were mixed answers to the survey question "There is no overlap between my HR delegation of authority and the accreditation advisor's authority": 40% agreed or strongly agreed, 27% disagreed or strongly disagreed and 33% were neutral, pointing to a need for increased awareness across the Department. Similarly, interviews with some sub-delegated managers pointed to a lack of clear understanding of their roles, responsibilities and authorities versus those of the classification function. A lack of clear understanding of all stakeholders' roles, responsibilities and accountabilities may hinder the sustainable collaboration between all parties and ultimately affect the achievement of organizational objectives.

The mandatory Canada School of Public Service course P930, Introduction to Organization and Classification, is the first step for sub-delegated managers to learn about the concepts of classification and organizational design, the roles and responsibilities of the main stakeholders. All new managers who authorize organizational structures or organizational charts, approve job descriptions or authorize classification action requests must complete this training within the first 6 months of their appointments. It is important to complete the training in order to maintain the delegation valid and exercise organizational design and classification responsibilities.

Recent reports on completion of this course by sub-delegated managers at ECCC showed that a small percentage of managers among the executives cadre have not completed the mandatory training, despite HRB regularly tracking course completion and sending reminders to branches.

To ensure that all sub-delegated managers have a good understanding of the authority over classification decisions and the impact of classification decisions, Branch Heads should ensure that sub-delegated managers complete mandatory classification training in a timely manner and HRB should continue to monitor and report on the completion of this important training.

Supplementary training and awareness

The audit found that the classification function has developed onboarding material for new classification advisors, who are encouraged and supported to take the necessary training to become accredited classification advisors. The audit also found various in-house training materials available to classification staff that focused on relationship building with clients and some training related to the changes in classification practices introduced by the 2021 TB Directive on Classification update. It is unclear how supplementary training opportunities were communicated to classification staff, as attendance of the additional training opportunities was not tracked.

For sub-delegated managers, some additional training materials were available on classification job evaluation committees and the legal basis for classification, and the Canada School of Public Service offers courses on delegation authority. Of the surveyed sub-delegated managers, 20% confirmed that they took some additional training on classification, organizational design or authority delegation.

Interviews with branch officials and survey results suggested that some sub-delegated managers do not have a clear understanding of the work required by the classification advisors in fulfilling classification requests and how classification decisions are rendered. A lack of clear understanding of classification fundamentals may result in unmet expectations for sub-delegated managers, and a low opinion of the classification service as whole. This opinion was prevalent throughout the survey, the classification function being categorized as rigid, process oriented, inflexible, non-agile and a barrier to innovation or arduous, among others.

The audit found that supplementary training and awareness materials were generally insufficient to allow for a more comprehensive understanding on the workings of the classification. Sub-delegated managers interviewed and surveyed expressed interest in training opportunities related to their understanding of the classification function and its processes, as well as guidance on roles and responsibilities.

According to the survey responses, one of the factors that are hindering collaboration is the perception that classification advisors do not understand business processes or the nature and complexity of the work performed by program staff, resulting in lengthy and at times unsuccessful classification decisions. Specifically, 45% of survey respondents disagreed or strongly disagreed with the statement "Classification advisors understand my line of work and

my program priorities, and act as a business partner." Finally, interviewed classification advisors indicated that being better informed on the ECCC programs and being better equipped on how to provide advice on complex organizational structures would help them better understand branches' unique classification needs.

Recommendation 2
The Chief Human Resources Management Officer should develop, promote and offer supplementary in-house training and guidance to sub-delegated managers on classification themes.
Management response
Management agrees with the recommendation. The classification team will develop a communication campaign, which will include classification tools and information documents that will educate management on the classification process and need for communication and consultations with classification regarding organizational needs. The classification team will develop and present a session titled Classification 101, which will augment the CSPS Introduction to Classification (P930) for sub-delegated managers and will introduce classification to employees and managers not required to take the P930.

Communication

The audit found that the lack of effective communication between branches and the classification team during the processing of classification requests was one of the main challenges raised by both parties during interviews and the survey. This may negatively affect the client-focused service delivery and timeliness of completing classification requests.

A walkthrough of the classification process revealed that a few templates were developed to facilitate consistent communications by classification advisors at various stages of the process. However, there were no formal communication protocols to provide systematic updates on the status of the requests, and communications between branches and classification advisors were largely reactive. This was also acknowledged by some members of the classification team, who attributed the lack of frequent communications to a lack of resources and a workload exceeding the capacity to be proactive in this regard.

Similarly, a review of the sampled classification files found limited evidence that classification advisors provided status updates to the sub-delegated managers throughout the classification process. Of the 21 files reviewed, only 33% of the files (7/21) had evidence that the classification team provided an update to the sub-delegated managers. Based on the documentation reviewed, it is unclear whether communication correspondence was deleted, whether communications occurred informally, or whether no status updates were provided. The review of the sampled filed also revealed that for the regular classification requests, 8 of the 21

files took about 6 months or more to be completed, some due to a communication breakdown between the sub-delegated manager and the classification advisor.

Some interviews pointed to insufficient communication from sub-delegated managers to discuss classification needs before formally submitting a transaction request in the Human Resource Service Request System as one of the causes of lengthy and unproductive classification requests. The audit team did not find any documented correspondence prior to the Human Resource Service Request System transaction in the sample files tested, although discussions between sub-delegated managers and classification advisors may have occurred informally in some cases. Discussions before the intake of classification requests would facilitate understanding of the operating environment, the unique needs of the branch and the expectations of both stakeholders.

Recommendation 3
The Chief Human Resources Management Officer, in collaboration with branch heads, should put in place mechanisms to improve the level of communications and interactions between sub-delegated managers and the classification team throughout the lifecycle of classification requests, including frequency of status updates.
Management response
Management agrees with the recommendation.
The classification team will develop a dashboard that clearly reflects the status of classification requests. Managers will have access to this dashboard in order to ascertain the status of their particular requests.
Classification activity reports will be developed and distributed to clients. The reports will include all active requests on-hand as well as the service standard date for completion.
A procedure will be developed to follow-up regarding requests outstanding after 6 months, to determine if they are still required or should be cancelled.

Service standards and key performance indicators

The audit expected that service standards and performance metrics are defined and used to monitor and report on classification activities.

In response to the 2017 ECCC Audit of staffing and classification conducted in collaboration with the Public Service Commission, the Human Resources Branch developed service standards to monitor classification activities. The Human Resource Service Request System was implemented in 2019 for the input of all HR requests including classification requests. The present audit found that since its implementation, the service standards have not been used to track and monitor performance and to help set expectations for clients. Classification team members acknowledged the importance of having service standards. They also agreed, however, that standards are not currently in place because they would not be met due to a lack of resources.

From interviews with sub-delegated managers and from survey results, there was general consensus that timeliness of classification transactions could be improved. 64% of survey respondents disagreed or strongly disagreed with the statement: "Timelines for completion of my classification requests are communicated throughout the process" and 20% were neutral. Several comments indicated that for many sub-delegated managers, the process and the timelines remain obscure. Similarly, 79% of survey respondents feel that classification requests are not completed in a timely manner.

While active classification requests were tracked, the audit found limited evidence that these were monitored for completion. No team was assigned to identify and action long outstanding requests. As mentioned in the communication section, communications were mainly reactive, with some requests not being responded to for weeks or months at a time, until one party (either the sub-delegated manager or the classification team) followed up on the request. In addition, the classification team did not establish standard timelines and due dates for sub-delegated managers to submit documentation required to process a classification request, potentially contributing to additional delays in processing requests.

Furthermore, many survey respondents indicated that establishing service standards is one of the changes that are required to enhance the two-way communication between classification team members and branch representatives.

Finally, key performance indicators were not defined for the ECCC classification function. Well-defined performance metrics would allow the classification program to assess whether it is helping the Department achieve its strategic objectives, make informed decisions and take appropriate corrective action in a timely manner.

Recommendation 4
The Chief Human Resources Management Officer should develop, implement, monitor and report on service standards and performance metrics for the classification function.
Management response
Management agrees with the recommendation.
The classification team will develop, implement, and report on service delivery standards for all classification actions. These service standards will define the length of time required to process actions and enhance communication between classification and client branches.
These performance indicators will also facilitate an assessment to determine to what degree classification is assisting branch clients achieve their strategic objectives as well as provide important data to facilitate classification program enhancements.

Impasse resolution process

Classification function processes have the inherent challenge of managing the expectations and business requirements of the requestor while maintaining relativity within ECCC and with other federal departments, and applying classification standards free from any bias. TB has

recognized the challenges that arise from this process, outlining the requirement for departments to manage an impasse process internally. The purpose of an impasse process is to give managers who disagree with the results of a classification decision the opportunity for a final third-party review of a classification decision. In keeping with the requirements of the TB Directive on Classification, HRB has developed and published on its intranet page a guideline for the resolution of impasses and disagreements regarding classification decisions. Since its implementation, only one disagreement case has gone through the impasse resolution process.

Interviews with sub-delegated managers and survey results suggested that there is relatively low awareness of the existence of this mechanism to resolve impasses when sub-delegated managers do not agree with classification decisions. The majority of survey respondents were neutral when asked whether they would consider using the impasse resolution process in case of disagreement with a classification decision and whether they consider the impasse resolution process to be useful. Several sub-delegated managers responded that they were never offered this option or were not aware of this process. Those who were aware responded that they would not use the process because they do not trust that the resolution process would change anything to the classification decision.

At the time of the audit, the impasse resolution process had been put on hold following the outcome of the first resolution case. The intent was to review the process and reorient it as needed to focus on the classification process rather than on the classification decision itself. No target date has been set for the completion of the review and the reinstatement of the process. It is clearly important to have a process to resolve classification disagreements and to actively present it as an option when communicating classification decisions. Such a process would demonstrate transparency and fairness, and would support the right of managers to appeal a classification decision, in compliance with the TB Directive on Classification requirements.

Recommendation 5
The Chief Human Resources Management Officer should reinstate the impasse resolution process and communicate its existence and how it may be used to all branch heads.
Management response
Management agrees with the recommendation.

In keeping with the Directive on Classification (2021), a new impasse resolution process is being developed. The classification team will finalize the associated communication material and disseminate the new process to ADMs and their branch management teams.

The classification team will report on the number of actions referred to this new process to the DM on a quarterly basis. In addition, year-end statistics will be presented to EMC via the annual Health of Staffing and Classification presentation. |

Finally, for the purposes of continuous improvement, survey respondents were asked to provide suggestions to improve the delivery of classification services. The overwhelming majority (90%) of survey respondents answered this question, touching for the most part of the following 4 themes:

- increasing resource capacity to support departmental needs

- adopting a more risk-managed approach to processing classification requests

- enhancing communication and collaboration

- establishing service standards

3.3   Processes, tools and information management

Findings: Comprehensive processes, tools and procedures are in place to guide the processing of classification requests. However, some are outdated and guidance on organizational design is limited. Opportunities exist to enhance management of information related to the classification function.

What we examined

The audit examined whether adequate tools, processes, procedures and information systems are in place to guide organizational design and allow for timely processing of classification requests processes. Through interviews and surveys with staff, testing of classification transactions and a review of documents such as guides, tools and templates, the audit team assessed the extent to which:

- adequate tools, processes and procedures are in place to guide organizational design and allow for timely processing of classification requests

- information repositories are managed and classification staff have access to the most up-to-date information

What we found

Documentation of procedures, processes and tools

The audit found comprehensive processes and procedures were in place to guide the processing of classification transactions, which included a combination of formal guidance and procedures provided by the OCHRO and information developed in-house.

On an ad-hoc and periodic basis, HRB receives formal guidance from the OCHRO such as interpretations of classification standards, bulletins and template documents that can be used by classification staff to process classification requests. Internally, HRB has developed numerous internal procedures, memos, bulletins, newsletters, tools and templates for classification staff and sub-delegated managers such as:

- The Job Description Writing Guide

- Written procedures for each classification action type

- The Manager's Guide to Classification

- Inventories of ECCC job codes and guidance on their use

- Specific guidance for classification assistants

The review of existing tools, memos, guidance and templates (over 100 documents) found that these were generally relevant and allowed for consistency in provision of classification services. Interviewed classification staff generally agreed that they knew where to find information, that they were aware of the tools available to them, and that existing tools supported them in the delivery of classification services. The testing of a sample of 21 classification transactions revealed that classification procedures were applied consistently for different types of classification action requests, and that the fast-track classification requests were processed in a timely manner.

The audit also found some gaps with respect to the content and availability of some information as follows.

- There was limited guidance available for sub-delegated managers to understand the workings of the classification processes and the classification decisions, as highlighted previously.

- There was also limited guidance available on the subject of organizational design which is a main component of the classification domain. This was also highlighted during interviews, where classification staff expressed their interest in obtaining more guidance related to organizational design.

- The review of procedures for classification staff found that some internal procedures were outdated (over 10 years old), and that some were not updated to align with the 2021 policy update. For instance, the procedures did not reflect the new requirements related to Deputy Head decisions, as well as the new flexibilities around the processing of low-risk classification requests. The classification team indicated that work was underway to develop additional guidance related to organizational design for classification staff as well as guidance on the classification process for sub-delegated managers, although no timelines were provided for when the new guidance would be completed.

- The audit team, in collaboration with classification team, mapped out the most recent classification process. A review of internal procedures found that the actual procedures used were not always aligned with the mapped-out process and that there was some duplication among the procedures used. For example, in the case of creating a new position, 2 different types of procedures were available to classification staff. The procedure called "Creation of new positions" does not mention fast-track option, but the procedure called "Creation of new positions procedures" includes fast-track option which means the request could be processed by a classification assistant.

When processes are not sufficiently documented or updated regularly, there is the risk that classification staff may not be equipped to conduct their work efficiently and effectively. This could affect the overall processing of requests and their timeliness, potentially leading to inconsistent decisions and non-compliance with the TB policy suite requirements.

Recommendation 6
The Chief Human Resources Management Officer should ensure that classification procedures and guidance available to classification staff are kept up-to-date to improve consistency of the processing of classification requests.
Management response
Management agrees with the recommendation. The classification team recognizes the need to review existing procedures and is committed to completing a total process review. This review will be conducted from the optic of ensuring all required procedures are available and that they are as efficient as possible, eliminating any duplication of effort. Efforts are already underway to simplify the e-filing process and additional priorities include reviewing all templates, checklists and standardized communications.

Information management

The audit found that information in support of individual classification requests was adequately tracked and documented, in compliance with TB requirements. Since 2019, classification requests are input, tracked and centrally managed through the Human Resource Service Request system, which is a module of My GCHR system and managed externally by TBS. The sub-delegated managers who were interviewed and surveyed described the module as not user-friendly and cumbersome. However, the audit noted that this system has improved HRB's ability to generate information for reporting and decision making and has facilitated the processing of classification requests.

The audit found that unstructured data, such as classification guidance documents, classification working files and classification requests data, were stored in 3 shared drives, on an Ecollab page and on the ECCC Intranet page that includes processes and tools for sub-delegated managers and classification staff. A walkthrough of the shared drives to search for information as part of the audit proved difficult to navigate at times, since some of the documents, such as memos which included guidance from the OCHRO, were saved in multiple locations. Given the volume of readily available information in the various repositories, finding the correct information to use could be laborious.

Good information management practices are critical to maintain accuracy and completeness of the data and to enable consistent use of procedures and tools across staff.

Recommendation 7
The Chief Human Resources Management Officer should proceed to the reorganization of existing data repositories to clarify the content of each data repository.
Management response
Management agrees with the recommendation.
The classification team recognizes the need to review information holdings. With the creation of the new Centre of Expertise, information holdings from what were separate organizations must now be amalgamated.
To this end, all information holdings will be reviewed for completeness, ease of access, and to address any duplication of documentation.

4. Conclusion

The audit found that overall, a comprehensive classification function is in place to manage a high volume of classification requests in a context of departmental growth and pressure to implement new ECCC programs. The recent integration of classification resources under the new Centre of Expertise for Organizational Design and Classification is expected to increase efficiencies in managing classification services over time. Clear roles and responsibilities have been defined and documented, and were well understood and discharged by classification staff; and processes and tools were documented and available to support and guide the delivery of classification services.

Several opportunities for improvement remain to build and maintain a resilient classification function that is perceived as client-focused and a strategic partner across the Department, particularly in the areas of planning and prioritization, performance measurement and service standards and communication.

Strategic planning of classification activities needs to be reinforced and aligned with departmental priorities in order to ensure the efficient and effective use of resources and to support the growing demand in classification services. Establishment of service standards and performance metrics for the classification function is critical to provide branches with transparent and accountable service delivery expectations, support continuous improvement and contribute to results-based performance measurement. Finally, communications between the classification function and branches during both planning of classification activities and throughout individual classifications requests need to be enhanced in order to foster collaboration among stakeholders, improve timeliness and increase efficiencies in the delivery of classification services.

Through a collective effort to address the opportunities for improvement, the classification function will be better positioned to enable the Department in delivering its objectives, in a context of continuous growth and expanding mandate.

Appendix A: lines of enquiry and criteria

To ensure an appropriate level of assurance in meeting the audit objective, the following criteria were developed to address the audit objective.

Audit Criteria
Line of enquiry 1: Governance and planning
1.1 Roles, responsibilities and authorities related to classification are clearly defined, documented and understood.
1.2 Allocation of resources and prioritization of requests are effective to support the demand for classification services.
Line of enquiry 2: Processes and service delivery
2.1 Adequate tools, processes, procedures and information systems are in place to guide organizational design and allow for timely processing of classification requests.
2.2 Service is focused on clients and promoted through the use and monitoring of service standards.
2.3 Effective processes are in place and used to resolve impasses.
Line of enquiry 3: Communication and training
3.1 Supplementary training for managers and classification advisors is available for continuous learning and improvement of classification activities at ECCC.
3.2 Communication processes are in place and being used effectively by the classification team and branches.
3.3 Relevant, reliable and timely reports are available to support senior management and managers in classification decision making