



Reviewed by ADM(RS) in accordance with the *Access to Information Act*. Information UNCLASSIFIED.

## Follow-up on Audit of Human Resources Service Levels



February 2018

1259-3-0021(ADM(RS))

## Table of Contents

<b>Acronyms and Abbreviations .....</b>	<b>ii</b>
<b>1.0 Introduction .....</b>	<b>1</b>
<b>2.0 Objective .....</b>	<b>3</b>
<b>3.0 Scope and Methodology .....</b>	<b>3</b>
3.1 Approach .....	3
3.2 Statement of Conformance .....	3
<b>4.0 Overall Assessment .....</b>	<b>4</b>
<b>Annex A—Assessment Criteria .....</b>	<b>A-1</b>
<b>Annex B—Management Action Plan Scorecard .....</b>	<b>B-1</b>
<b>Annex C—Detailed Assessment of Management Action Plan Status .....</b>	<b>C-1</b>

## **Acronyms and Abbreviations**

ADM(HR-Civ)	Assistant Deputy Minister (Human Resources – Civilian)
ADM(RS)	Assistant Deputy Minister (Review Services)
HR	Human Resources
MAP	Management Action Plan
OPI	Office of Primary Interest

## 1.0 Introduction

In keeping with policy and standards for Internal Audit,<sup>1</sup> Assistant Deputy Minister (Review Services) (ADM(RS)) monitors that management action plans (MAP) have been effectively implemented in response to previous ADM(RS) audit recommendations. In addition to reporting twice per year to the Departmental Audit Committee on the status of MAP completion, ADM(RS) conducts detailed follow-ups on selected audits based on risk. In accordance with the ADM(RS) Risk-Based Audit Plan for fiscal year 2017/18 to 2019/20, this audit follow-up was conducted to assess the progress made towards the implementation of the MAP from the 2014 Audit of Human Resources (HR) Service Levels.

Assistant Deputy Minister (Human Resources – Civilian) (ADM(HR-Civ)) is the functional authority for civilian HR management and fulfills a critical role in leadership and service delivery to support military and civilian managers in recruiting, developing and retaining people. Timely classification and staffing of positions are essential in supporting the Department of National Defence and Canadian Armed Forces to meet their priorities and operational needs.

ADM(HR-Civ)'s workforce has been significantly reduced in recent years as a result of the Strategic Review and Deficit Reduction Action Plan initiatives. These initiatives have impacted ADM(HR-Civ)'s core service delivery functions, which include classification and staffing. At the same time, the demand for HR services continues to rise in order to meet government-wide and departmental priorities, such as the implementation of Canada's Defence Policy.

On April 1, 2016, the Public Service Commission released the New Direction in Staffing which is an appointment framework that includes an updated staffing policy, delegation instrument and oversight approach. The sub-delegation of appointment authority at Department of National Defence has since been transferred from HR service providers to hiring managers.

In response to rising demand, fiscal constraints and recent changes to the appointment framework, ADM(HR-Civ) reorganized its business by introducing a new service delivery model on April 1, 2017. Entitled Next Generation HR-Civ, this model seeks to establish consistent and strategic HR capabilities by reallocating existing resources. Full implementation of this model is expected for April 1, 2018. One of the key changes with this model is the realignment of existing staffing resources to national client-focussed teams which is intended to result in a more agile and responsive staffing function. At the same time, ADM(HR-Civ) is implementing a new Staffing Measurement Framework. This framework expands its compliance monitoring framework to include performance indicators to measure staffing effectiveness and efficiency.

---

<sup>1</sup> Policy on Internal Audit. <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=16484>. Last consulted on December 11, 2017.

The 2014 Audit of HR Service Levels found opportunities to improve in the following areas:

**Service Standards.** Service standards for classification and staffing were defined but not fully implemented. Formal performance monitoring was not conducted and awareness of service standards was inconsistent amongst ADM(HR-Civ) personnel. 45 percent of classification and staffing activities reviewed at the time met established service standards.

It was recommended that ADM(HR-Civ) should review and communicate service standards periodically; monitor performance regularly; and take follow-up action when standards are not met.

**Performance Monitoring Information.** There were inconsistent practices for documenting and recording dates on physical files and into the Human Resource Management System. Dates recorded in the system were not consistently supported by information documented on file. Standardized procedures and definitions for recording key dates were not found, thus undermining the basis for performance reporting and monitoring.

It was recommended that ADM(HR-Civ) should provide clear, standardized procedures, guidance, and definitions related to documenting and recording key dates necessary to support consistent performance monitoring of HR service standards.

**Risk Management.** Formal risk management processes were not in place at HR service centres to identify, assess, and monitor local risks that could impact their ability to meet service standards.

It was recommended that ADM(HR-Civ) should ensure that service centres have formal risk management processes in place, including the identification, assessment, and treatment of risks to support efficient delivery of HR services.

**Service Delivery Capacity.** Resource requirements for classification and staffing teams were not defined due to the lack of risk management and performance monitoring. There was no specific guidance on client-service ratios. An insufficient number of service providers can limit the delivery capacity of a region.

It was recommended that ADM(HR-Civ) should ensure that its staffing and classification functions have an appropriate range of service providers with the required level of expertise as defined by the functional authority.

## **2.0 Objective**

The objective of this audit follow-up is to assess the progress made towards the implementation of the MAP of the 2014 Audit of HR Service Levels.

## **3.0 Scope and Methodology**

### **3.1 Approach**

This audit follow-up examines whether the issues identified in the 2014 audit have been addressed by assessing the progress made on the implementation of the MAP based on the assessment criteria in [Annex A](#). It was not a re-performance of the original audit. The following methods were used:

- Review of supporting documentation; and
- Interviews with key HR-civ directors and personnel.

The audit follow-up considered information received up to September 2017.

### **3.2 Statement of Conformance**

The audit follow-up conclusions contained in this report are based on sufficient and appropriate audit evidence gathered in accordance with procedures that meet the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. The audit follow-up thus conforms to the Internal Auditing Standards for the Government of Canada, as supported by the results of the quality assurance and improvement program. The opinions expressed in this report are based on conditions as they existed at the time of the audit follow-up, and apply only to the entity examined.

## 4.0 Overall Assessment

The follow-up found that progress was made on the implementation of the MAP developed for the Audit of HR Service Levels tabled in 2014. However, work remains to fully implement the audit recommendations.

Three recommendations were assessed to be substantially implemented and one was assessed to be obsolete. Although the risk management recommendation is obsolete due to the realignment regional service centre staffing teams into a national staffing function, risks to national service delivery should still be identified and assessed at a higher level. The assessments of substantial implementation were largely due to the reorganization of ADM(HR-Civ) and the implementation of a new service delivery model and Staffing Measurement Framework in April 2017. These initiatives are significantly changing ADM(HR-Civ) operations and therefore have delayed the implementation of the MAP. Original target implementation dates have been exceeded as a result. Foundational pieces such as service standards and performance metrics are in place, but still need to be reviewed and communicated periodically.

Notable progress was observed in the area of performance reporting. Tools have been implemented to track various steps in the staffing and classification processes. The data captured in these tools feed into service standard dashboards that are presented to senior management. Accuracy and completeness of the information in these dashboards, particularly for complex staffing processes, should improve over time as usage of tracking tools becomes more consistent across the country.

Additional progress should be observed when the initial reporting cycle of the Staffing Measurement Framework is complete and as the new service delivery model reaches full operational capability on April 1, 2018.

Full implementation of the recommendations will contribute to the Department's ability to deliver on priorities and mitigate the following risk areas:

- Timely completion of staffing processes;
- Consistency and accuracy of information for performance monitoring and reporting; and
- HR service delivery capacity to meet increasing demand for staffing.

It is recommended that ADM(HR-Civ) review the MAP developed for the 2014 audit within the context of its recent organizational changes, and provide revised target implementation dates.

A scorecard of the MAP items can be found in [Annex B](#). A detailed assessment of progress and the revised target implementation dates can be found in [Annex C](#).

## **Annex A—Assessment Criteria**

**Line of Enquiry:** Progress made on the 2014 Audit of HR Service Level Audit Recommendations

The following criteria were used to assess the level of completion for each MAP item.

**1. Obsolete or Superseded**

Audit recommendations that are deemed to be obsolete or have been superseded by another recommendation.

**2. No Progress or Insignificant Progress (0-24% complete)**

No action taken by management or insignificant progress. Actions such as striking a new committee, having meetings and generating informal plans are insignificant progress.

**3. Planning Stage (25-49% complete)**

Formal plans for organizational changes have been created and approved by the appropriate level of management (at a sufficiently senior level, usually at the Executive Committee level or equivalent) with appropriate resources and a reasonable timetable.

**4. Preparation for Implementation (50-74% complete)**

The entity has begun necessary preparation for implementation, such as hiring or training staff, or developing or acquiring the necessary resources to implement the recommendation.

**5. Substantial Implementation (75-99% complete)**

Structures and processes are in place and integrated in some parts of the organization, and some achieved results have been identified. The entity has a short-term plan and timetable for full implementation.

**6. Full Implementation (100% complete)**

Structures and processes are operating as intended and are implemented fully in all intended areas of the organization.



## Annex B—Management Action Plan Scorecard

Recommendation #	Management Actions	OPI	ADM(RS) Assessment of Progress on MAP		
1. Service Standards	1.a) Validate current service standards and update as required and establish baseline measures;	ADM(HR-Civ)	<b>Substantial Implementation</b>		
	1.b) Develop metrics to assess performance against standard;				
	1.c) Approve service standards;				
	1.d) Communicate standards and performance metrics to HR service providers and client groups; and				
	1.e) Implement a plan to review and communicate service standards periodically.				
2. Performance Monitoring Information	2.a) Develop standardized procedures and processes to monitor and report on service standards;	ADM(HR-Civ)	<b>Substantial Implementation</b>		
	2.b) Communicate the standardized procedures and processes;				
	2.c) Implement the standardized procedures and processes to support monitoring;				
	2.d) Actively and regularly monitor and report on service standards; and				
	2.e) Take follow-up action if/when required.				
3. Risk Management	3.a) Ensure the risk matrix for the Level 2/Level 3 business plan includes risks to service delivery with mitigating strategies.	ADM(HR-Civ)	<b>Obsolete or Superseded</b>		
4. Service Delivery Capacity	4.a) Review staffing certification program;	ADM(HR-Civ)	<b>Substantial Implementation</b>		
	4.b) Determine optimal range of service providers needed;				
	4.c) Develop plan to acquire sufficient accredited and certified service providers, subject to full-time equivalent/salary and wage envelope restrictions/ceilings; and				
	4.d) Monitor the level of certified/accredited service providers.				
<b>LEGEND</b>					
<b>Obsolete or Superseded</b>	<b>No Progress or Insignificant Progress</b>	<b>Planning Stage</b>	<b>Preparation for Implementation</b>	<b>Substantial Implementation</b>	<b>Full Implementation</b>

**Table B-1. MAP Scorecard.** This table shows the ADM(RS) assessment of the progress on the MAP.

### Annex C—Detailed Assessment of Management Action Plan Status

<b>Recommendation 1. Service Standards</b> — ADM(HR-Civ) should review and communicate service standards periodically; monitor performance regularly; and take follow-up action when standards are not met.						
Management Actions	OPI	Target Date	Progress to Date			Status of Action Item
1.a) Validate current service standards and update as required and establish baseline measures;	ADM(HR-Civ)	September 2015	HR service standards were updated, however, due to the implementation of a new service delivery model in April 2017, service standards should be reviewed again. Baseline measures have not been established.			Substantial Implementation
1.b) Develop metrics to assess performance against standard;			Metrics to assess performance against standards were observed. ADM(HR-Civ) has committed to performance targets based on the prioritization of staffing demands.			Full Implementation
1.c) Approve service standards;			Although evidence of formal approval of service standards was not clearly observed, it is presumed that they were approved since they are referenced in several corporate documents endorsed by ADM(HR-Civ), such as its annual business plans.			Full Implementation
1.d) Communicate standards and performance metrics to HR service providers and client groups; and			The service standards were posted on the ADM(HR-Civ) intranet. Additional plans are in place to directly communicate this intranet page to staff and client groups.			Full Implementation
1.e) Implement a plan to review and communicate service standards periodically.			A commitment to communicating, and reviewing service standards on an annual basis (once baseline data is available) was observed. The methodology for reviewing the standards was not described.			Planning Stage
<b>ADM(RS) Assessment of Progress on MAP: Substantial Implementation</b>						
<b>Revised Target Date: March 31, 2018</b>						
<b>LEGEND:</b>	Obsolete or Superseded	No Progress or Insignificant Progress	Planning Stage	Preparation for Implementation	Substantial Implementation	Full Implementation

**Table C-1. Status of the Implementation of the MAP Items for Recommendation 1.** This table summarizes progress on implementing the MAP items for Recommendation 1.



<b>Recommendation 2. Performance Monitoring Information</b> — ADM(HR-Civ) should provide clear, standardized procedures, guidance, and definitions related to documenting and recording key dates necessary to support consistent performance monitoring of HR service standards.						
Management Actions	OPI	Target Date	Progress to Date	Status of Action Item		
2.a) Develop standardized procedures and processes to monitor and report on service standards;	ADM(HR-Civ)	January 2016	A new Staffing Measurement Framework has been developed and rolled out in April 2017. Monitoring tools have also been created to capture key dates relating to HR service transactions. This data feeds into service standard dashboards that are presented to senior management and HR committees. Key dates were defined and documented.	Full Implementation		
2.b) Communicate the standardized procedures and processes;			Several methods to communicate the tracking tools and performance dashboards to staff were observed. Training sessions were provided and guidance is posted on the intranet.	Full Implementation		
2.c) Implement the standardized procedures and processes to support monitoring;			Processes to support monitoring have been implemented but are not standardized. There is inconsistent usage of the staffing log to track complex staffing actions by HR service providers across the country.	Substantial Implementation		
2.d) Actively and regularly monitor and report on service standards; and			Service standards are monitored and reported on through the use of performance dashboards which are presented to senior management. These dashboards contain relevant information such as service standard statistics and transaction volumes.	Full Implementation		
2.e) Take follow-up action if/when required.			ADM(HR-Civ) has started gathering performance data through the use of tracking tools. Follow-up action will be identified and taken once sufficient data has been accumulated.	Preparation for Implementation		
<b>ADM(RS) Assessment of Progress on MAP: Substantial Implementation</b>						
<b>Revised Target Date: March 31, 2018</b>						
<b>LEGEND:</b>	Obsolete or Superseded	No Progress or Insignificant Progress	Planning Stage	Preparation for Implementation	Substantial Implementation	Full Implementation

**Table C-2. Status of the Implementation of the MAP Items for Recommendation 2.** This table summarizes progress on implementing the MAP items for Recommendation 2.

<b>Recommendation 3. Risk Management</b> — ADM(HR-Civ) should ensure that service centres have formal risk management processes in place, including the identification, assessment, and treatment of risks to support efficient delivery of HR services.						
Management Actions	OPI	Target Date	Progress to Date			Status of Action Item
3.a) Ensure the risk matrix for the Level 2/Level 3 business plan includes risks to service delivery with mitigating strategies.	ADM(HR-Civ)	December 2015	The risk matrix was not observed. The new service delivery model realigns regional HR classification and staffing resources into national classification and staffing functions, rendering the management action at the Level 2/Level 3 obsolete going forward. Although the concept of service centres is abolished, ADM(HR-Civ) should continue to identify and assess risks to service delivery at the national level.			Obsolete or Superseded
<b>ADM(RS) Assessment of Progress on MAP: Obsolete or Superseded</b>						
<b>Revised Target Date: N/A</b>						
<b>LEGEND:</b>	Obsolete or Superseded	No Progress or Insignificant Progress	Planning Stage	Preparation for Implementation	Substantial Implementation	Full Implementation

**Table C-3. Status of the Implementation of the MAP Items for Recommendation 3.** This table summarizes progress on implementing the MAP items for Recommendation 3.

<b>Recommendation 4. Service Delivery Capacity</b> — ADM(HR-Civ) should ensure that its staffing and classification functions have an appropriate range of service providers <sup>2</sup> with the required level of expertise as defined by the functional authority.						
Management Actions	OPI	Target Date	Progress to Date			Status of Action Item
4.a) Review staffing certification program;	ADM(HR-Civ)	December 2016	Requirements for certification of HR service providers in staffing were reviewed so that certification could be expedited.			Full Implementation
4.b) Determine optimal range of service providers needed;			An optimal range of service providers has not yet been identified. ADM(HR-Civ)'s new Staffing Measurement Framework will yield information on staffing effectiveness and efficiencies. ADM(HR-Civ) intends to use this information to determine the optimal range of service providers. This new Staffing Measurement Framework was launched in April 2017.			Substantial Implementation
4.c) Develop plan to acquire sufficient accredited and certified service providers, subject to full-time equivalent/salary and wage envelope restrictions/ceilings; and			With the implementation of the new modern service delivery model, ADM(HR-Civ) will be reallocating its current resources to establish consistent HR capabilities. There are no plans to acquire additional service providers.			Full Implementation
4.d) Monitor the level of certified/accredited service providers.			The level of certified/accredited service providers will be monitored through the results of the new Staffing Measurement Framework. Completion of the initial reporting cycle of this measurement framework is expected to align with the end of fiscal year 2017/18.			Substantial Implementation
<b>ADM(RS) Assessment of Progress on MAP: Substantial Implementation</b>						
<b>Revised Target Date: March 31, 2018</b>						
<b>LEGEND:</b>	Obsolete or Superseded	No Progress or Insignificant Progress	Planning Stage	Preparation for Implementation	Substantial Implementation	Full Implementation

**Table C-4. Status of the Implementation of the MAP Items for Recommendation 4.** This table summarizes progress on implementing the MAP items for Recommendation 4.

<sup>2</sup> HR service providers are ADM(HR-Civ) employees who are involved in the staffing or classification processes.