Audit of Staffing Service Delivery

MARCH 2021

Office of Audit and Evaluation
HEALTH CANADA AND THE PUBLIC HEALTH AGENCY OF CANADA

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EXECUTIVE SUMMARY

Context

A sound framework to support staffing service delivery is integral to helping Health Canada (HC) and the Public Health Agency of Canada (PHAC) meet operational requirements and fulfill their mandates.

Under the *Public Service Employment Act* (PSEA), the Public Service Commission (PSC) is accountable to Parliament for the overall integrity of the staffing system. The PSC ensures the integrity of the staffing system through its regulatory authority, Appointment Framework, and oversight model. The PSC works in partnership with deputy heads, who are accountable for how delegated appointment authorities are exercised in their departments and agencies.

With the New Direction in Staffing (NDS) approach, the PSC renewed its Appointment Framework on April 1, 2016. The revised Framework, which includes the Appointment Policy and the Appointment Delegation and Accountability Instrument (ADAI), was designed to simplify staffing across the public service, as per the expectations set out in the PSEA. Although the PSEA did not change, the policy suite was reduced from twelve policies to one policy. The NDS aims to provide deputy heads with the ability to recruit staff and maintain a diverse and qualified workforce, which has been identified as a risk by the HC and PHAC corporate risk profiles. Through the introduction of the NDS, the PSC reduced the mandatory monitoring and reporting burden on departments, while introducing a requirement for departments to establish an internal monitoring system which the PSC will review periodically via a cyclical assessment.

The Human Resources Service Directorate (HRSD) within the Corporate Services Branch (CSB) is responsible for providing expert advice on staffing to management at HC and PHAC, and plays a critical role in supporting hiring managers in attracting, developing, and retaining talented employees in a timely manner. Business processes for staffing include, but are not limited to, advertised and non-advertised appointments, and express staffing. Branches within both organizations rely on an effective and timely staffing service.

Audit Objective

To provide reasonable assurance that the design and operation of staffing processes supports efficient service delivery.

Note: The scope of this audit predates the HC and PHAC response to the COVID-19 pandemic, and audit findings do not reflect the impact of the pandemic on staffing service delivery at HC and PHAC. However, additional audit work has confirmed that the processes established for staffing services remained substantially unchanged by the response to the pandemic.

Findings

Good Processes

- HRSD designed business processes and staffing teams according to varying risk levels assigned to types of staffing actions;
- Staffing advisors created and followed detailed processes for staffing actions;
- HRSD considered the use of staffing flexibilities, and staffing advisors discussed risks and options with hiring managers;
- The introduction of HR-to-Pay timeliness reporting improved performance monitoring across an expanded range of staffing actions;
- Data quality controls were in place and functioning appropriately; and
- HRSD took action to improve efficiency as part of its Staffing Modernization Initiative.

Areas for Improvement

- Guidance regarding the use of pools by hiring managers could be clarified, pools could be made more accessible, and the use of pools could be better tracked to reflect their impact on overall staffing efficiency; and
- Additional data could be collected to ensure that performance monitoring distinguishes the contributions of all stakeholders, measures the timeliness and efficiency of all stages of staffing processes, and identifies common errors.

Conclusion

The design and operation of staffing processes supports efficient service delivery, but the management of pools and the collection of information for performance monitoring could be improved.

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Context

Well-managed organizations should have formal and institutionalized practices in place that permit them to monitor their environments for conditions, or changes to the conditions, that may result in risk or opportunity. Management must often make decisions that involve trade-offs due to limited resources; accordingly, an organization's control framework must include formal risk management practices to assist in decision making.

The New Direction in Staffing (NDS) permits departments to customize their staffing monitoring to meet departmental needs. Following the introduction of NDS in 2016, HRSD created a staffing monitoring framework for PHAC and HC which included a five-year plan to assess the following five criteria:

- Efficiency of staffing;
- Effectiveness of staffing;
- Use of staffing flexibilities;
- Compliance with policy requirements; and
- HR planning, including employment equity and official language considerations.

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What did we expect to find?

We expected to find that efficient business processes for staffing, including a risk management approach and consideration of the use of staffing flexibilities, were established and followed.

Conclusion

Efficient business processes for staffing were established and followed. However, HRSD lacked the information to determine which stages of staffing processes experienced bottlenecks, and at which stage a file was during the staffing process (discussed in further detail below). Additionally, pools were not adequately tracked and guidance regarding accessibility of candidates from other managers' pools was not clear.

Findings

Business Processes Design

HRSD developed detailed process maps for staffing actions that illustrate the many handoffs between stakeholders, and between different actors within HRSD. The detailed process map were not available on the departmental intranet, however the maps did detail the process that all staffing advisors use to complete staffing actions. Our review did not indicate any significant deviations from these documented processes by staffing advisors.

As part of their five-year staffing monitoring framework, and through quarterly dashboards, HRSD tracked the use of several staffing flexibilities over time, including the use of non-advertised appointments by branch and centre, and the use of deployments and student bridging. HRSD is also planning to monitor the use of additional flexibilities (e.g., the use of employment equity considerations for organizational needs, the number of processes using innovative approaches) as part of their monitoring framework.

HRSD also developed several relevant tools specific to different types of staffing processes, such as a calculator to determine HR-to-Pay timelines, and the revised Classification-Staffing Transaction Request (CSTAR) template. These tools have been communicated through the intranet and internal broadcast emails.

Risk Management Approach

We did not find that HRSD had developed a documented rationale for risk levels assigned to staffing actions, apart from a risk model to classify express, non-express, and executive staffing actions.

HRSD used this risk model to classify express, non-express, and executive staffing actions as low, medium and high risk, respectively. A high volume of low risk, non-merit based staffing actions were processed with comparatively less oversight than for other actions by the express staffing team. Reflective of their identified higher level of risk in the risk model, merit-based and executive staffing actions were processed by teams within their respective client portfolios.

In 2018, as part of their Staffing Monitoring Framework, HRSD conducted a survey to determine whether hiring managers felt that HR advisors discussed staffing risks, with results indicating potential room for improvement.

Staffing Processes – Pools

Context

In 2018, HRSD implemented the Beyond NDS – Staffing Excellence plan. The aim of the plan was to "Achieve Excellence through Quality Hires". Beyond NDS comprises six pillars as follows:

- HR as a Strategic Partner;
- Simplified Staffing Tools;
- Pilot New Initiatives and Innovate;
- Engage and Communicate;
- Foster HR Capacity; and
- Measure, Monitor, and Report.

Beyond NDS aims to take advantage of flexibilities in staffing introduced in the NDS through specific actions such as:

- Implementing new approaches to recruit diverse talent (e.g., LiveWorkPlay, university outreach);
- Launching strategic and collective recruitment initiatives to meet business needs;
- Showcasing innovative staffing practices used by other departments and HC clients; and
- Integrating client support founded on project management principles used to support high-priority growth, regular operations and organizational change.

Collective staffing involves the use of one advertised selection process to establish a pool of candidates from which multiple appointments will be made. The established pools can be used to fill a number of positions in areas with high turnover, shortages or significant need, or for positions with similar requirements.

Findings

Pools

Pools offer benefit, such as reduced cost in staffing common positions, relief from pressures imposed by repetitive independent processes (i.e., no need to run distinct selections processes), the ability to address immediate hiring needs, and improved access to jobs for candidates.

Pools eliminate the steps prior to the Classification-Staffing Transaction Request which significantly decreases the time to staff as hiring managers would not have to run a staffing process in order to staff a position.

We identified potential confusion about HC and PHAC guidance regarding whether hiring managers are able to retain exclusive access to candidates within pools for staffing actions they initiated. HRSD is developing a pools guide to provide clarity.

HRSD's collective staffing team conducted several collective staffing processes for levels subject to high volume and high turnover (e.g., administrative assistants), and published the list of available pools resulting from these collective staffing processes on the intranet. Although there is a list of collective pools available on the intranet, there is not a collective pool for each group and level (i.e., scientists, epidemiologists).

There is no central pool repository available for HR advisors within PHAC or HC. Results of established pools were tracked by staffing advisors within their respective client portfolios. As a result, pools of qualified candidates generated through staffing actions were not always transparent to staffing advisors and hiring managers.

There is no capacity within the current data system to record appointments from pools under a unique identifier, regardless of the method used to hire the successful candidate. As a result, we also found that staffing actions resulting from pools were underreported because some staffing actions for candidates hired from a pool were recorded as deployments, secondments, and non-advertised appointments.

Recommendation 1	Management Response
The Assistant Deputy Minister (ADM) of CSB should ensure that HRSD: • Increases the transparency of pools for staffing advisors and hiring managers; • Clarifies departmental guidance regarding whether hiring managers can restrict access to candidates in their existing pools; and • Accurately determines the number of appointments from pools.	Management agrees with this recommendation.

Context

A service standard is a public commitment to a measurable performance level that clients can expect. Service standards are integral to good client service and to performance management. They help clarify expectations for clients and employees, and drive service improvement.

Staffing services are provided by HRSD to both HC and PHAC, as per the *Framework Agreement between Health Canada and the Public Health Agency of Canada* (SSP Agreement), which includes a set of staffing service standards. In April 2019, TBS introduced HR-to-Pay service standards that overlapped with the phases of the staffing process covered by the service standards within the SSP. HR-to-Pay service standards provide a breakdown of timelines for individual staffing process steps from the submission of hiring documentation after a candidate is selected to the issuance of the letter of offer. HR-to-Pay applies to substantially more transactions than the SSP service standards.

What did we expect to find?

We expected to find that HRSD had communicated current service standards to stakeholders, conducted and reported appropriate performance monitoring for each staffing process, and identified inefficiencies and common errors related to all stages of staffing processes.

Conclusion

The implementation of business processes for staffing was monitored, and monitoring results were acted upon; however, monitoring information was not sufficient to identify common errors and potential bottlenecks, or to evaluate the efficiency of staffing processes from inception to completion.

Findings

We found that service standards did not apply to all types of staffing actions. However, the introduction of HR-to-Pay timeliness reports redressed this issue by expanding the types of staffing actions subject to performance monitoring.

We found that HRSD reported monitoring results to senior management in a timely manner. Through quarterly CSB dashboards, HRSD presented monitoring results for express, non-advertised, and advertised staffing processes to HC and PHAC executive committees, typically in the quarter following the reporting period. Through these dashboards, HRSD reports performance against service standards for applicable staffing actions. HRSD also made additional performance monitoring information available to all employees through regular dashboards posted on the intranet.

We also found that appropriate performance monitoring took place for each business process, but that this monitoring was not sufficient to measure the timeliness and efficiency of all stages of staffing processes, for differentiating the impact of all stakeholder actions (i.e., HRSD, hiring managers, Second Language Evaluation, and security), and for identifying common errors. We detail these three limiting factors below.

Stakeholders

Performance monitoring reports were unable to distinguish the timeliness of HRSD actions from the timeliness of other stakeholders' actions throughout all stages of staffing processes. While HR-to-Pay timeliness reports distinguished between the responsibilities of different stakeholders for stages following submission of completed paperwork, these reports did not provide similar distinctions for earlier stages of staffing processes, such as the recruitment and assessment of candidates.

These reports were based on data recorded in a Lotus-notes log used to track the progress of staffing actions. Due to limitations in the data collected for this staffing log, HRSD was unable to track which stakeholder a file was with throughout all stages of staffing processes.

Roles and Responsibilities

We found that there was the potential for confusion about the respective responsibilities of staffing advisors and business support units (i.e., shadow shops) for providing staffing advice.

Staffing advisors and directors noted the potential that advice from administrative officers outside of HRSD could introduce errors or inefficiency in the submissions process by hiring managers. We found one instance where HRSD provided training to a business support unit to reduce common errors.

The Public Service Commission's (PSC) indicates that hiring managers should have access to advice and guidance from qualified staffing experts. The PSC's Appointment Delegation and Accountability Instrument (ADAI) indicates that deputy heads are responsible for ensuring that hiring managers "are provided with the information and human resources advice and services they require to exercise their sub-delegated authorities." However, we found that back offices were coordinating the paperwork to support hiring managers in the staffing process.

Staffing advisors indicated that they provided advice and reviewed submissions by hiring managers to reduce common errors, but we found HRSD did not have a process to analyze the type and frequency of these errors.

Performance Measurement – Data Quality and Action

Context

Within their HR reporting unit, as part of the Client Services Division, HRSD maintains a group responsible for Data Reporting and Analytics. This group analyzes data from Peoplesoft and the Staffing Log to produce reports for management on various indicators (i.e., official languages, employment equity). The group also collects demographic, performance measurement, staffing, mobility, and health information.

The Staffing Monitoring Framework (SMF) was developed by HRSD following the introduction of the New Direction on Staffing. One of the main objectives of the monitoring exercise of the SMF was to establish baselines against which monitoring results could be compared and analyzed over the next few years. The 2017-18 activity established definitions of monitoring criteria (i.e., time to staff a position and the use of efficiency strategies). The report also included the measurement of staffing effectiveness, and quality of hires.

We also expected to find that HRSD acted to address any deficiencies or inefficiencies identified through performance monitoring, identified opportunities for innovation, and planned investments in technology. We also expected to find that HRSD effectively transferred resources as required to meet shifting demand for staffing services.

Findings

Data Quality

HRSD has data quality controls in place to ensure the accuracy of performance monitoring information. HRSD recorded staffing information in individual staffing files and in two separate databases: a staffing log, and PeopleSoft. Data quality controls included an information checklist designed to accompany each staffing file, and user instructions for data entry into the staffing log.

We found that the staffing log lacked input controls to ensure data quality, but that HRSD had implemented compensating controls by using comparisons between the staffing log and PeopleSoft data to measure its quality, and by producing error reports to rectify discrepancies.

Action

We found that HRSD acted on performance monitoring results by completing several high-level actions to improve staffing efficiency as part of a staffing modernization initiative. These actions include creating collective staffing and specialized recruitment functions, launching LiveWorkPlay, launching quarterly dashboards, and implementing a staffing monitoring framework.

We found that HRSD had participated in department-wide IT planning, and explored the adoption of additional staffing technologies, such as video interviewing software, in order to speed up the early stages of the hiring process, and a case management system.

HRSD reorganized their client portfolios of staffing teams to reflect changes in HC and PHAC organizational structures. In addition, we noted that controls were in place and operating appropriately to mitigate risks due to rapid staffing, such as for the reorganization of the Controlled Substances and Cannabis Branch.

Recommendation 2

To support performance monitoring and action, the ADM of CSB should ensure that HRSD collects sufficient information to:

- Assess the timeliness of all phases of staffing processes;
- Assess the efficiency of staffing processes from inception to completion; and
- Periodically identify common errors in documentation submitted by hiring managers.

Management Response

Management agrees with this recommendation.

		Audit of Staffing Service Delivery	
Criterion	**Risk Rating***	**Risk to HR Staffing Service Delivery without Implementing Recommendation**	**Rec. #**
1 - Efficient business processes for staffing are established and followed.	2	Pools will not be tracked adequately and guidance regarding accessibility of candidates in pools from other managers will not be clear.	1
2 - The performance of business processes for staffing is monitored, and monitoring results are acted upon.	3	Monitoring information will not be sufficient to identify common errors and potential bottlenecks, nor to evaluate the efficiency of staffing processes from inception to completion.	2

1	2	3	4	5
Minimal Risk	Minor Risk	Moderate Risk	Significant Risk	Major Risk

* Residual risk without implementing the recommendation.

1. Audit Objective

To provide reasonable assurance that the design and operation of staffing processes support efficient service delivery.

2. Audit Scope

The scope comprised planning and staffing activities that took place in PHAC and HC from fiscal years 2017-18 to 2019-20.

Activities not in Scope

The scope excluded the assessment of the organizational structures and resourcing levels of branches and programs

3. Audit Approach

The audit approach included, but was not limited to:

- Interviews with key officials with responsibilities related to staffing.
- Reviews of relevant documentation, policies, standards, guidelines, and frameworks related to staffing.
- Analysis of findings from interviews, document reviews, and detailed testing.

4. Statement of Conformance

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and is supported by the results of the Office of Audit and Evaluation's Quality Assurance and Improvement Program.

The audit criteria were derived from the TBS Core Management Controls and the COSO Enterprise Risk Management Framework. The following audit criteria were used to conduct the audit:

Audit of Staffing Service Delivery	
Audit Criteria	
1	Efficient business processes for staffing are established and followed.
	1.1 Each business process considers risk, including how HRSD assigns risk levels to business processes for staffing, and how business processes reflect risk considerations. 1.2 Each business process is followed. 1.3 Each business process is efficient, including how the design and critical paths of business processes identify any unclear roles or unnecessary process steps, handoffs, or approvals. 1.4 HRSD seeks to increase efficiency.
2	The performance of business processes for staffing is monitored, and monitoring results are acted upon.
	2.1 Appropriate monitoring takes place for each business process. 2.2 Monitoring information is accurate and relevant. 2.3 Monitoring information is timely, and is reported to management. 2.4 Monitoring results are acted upon.