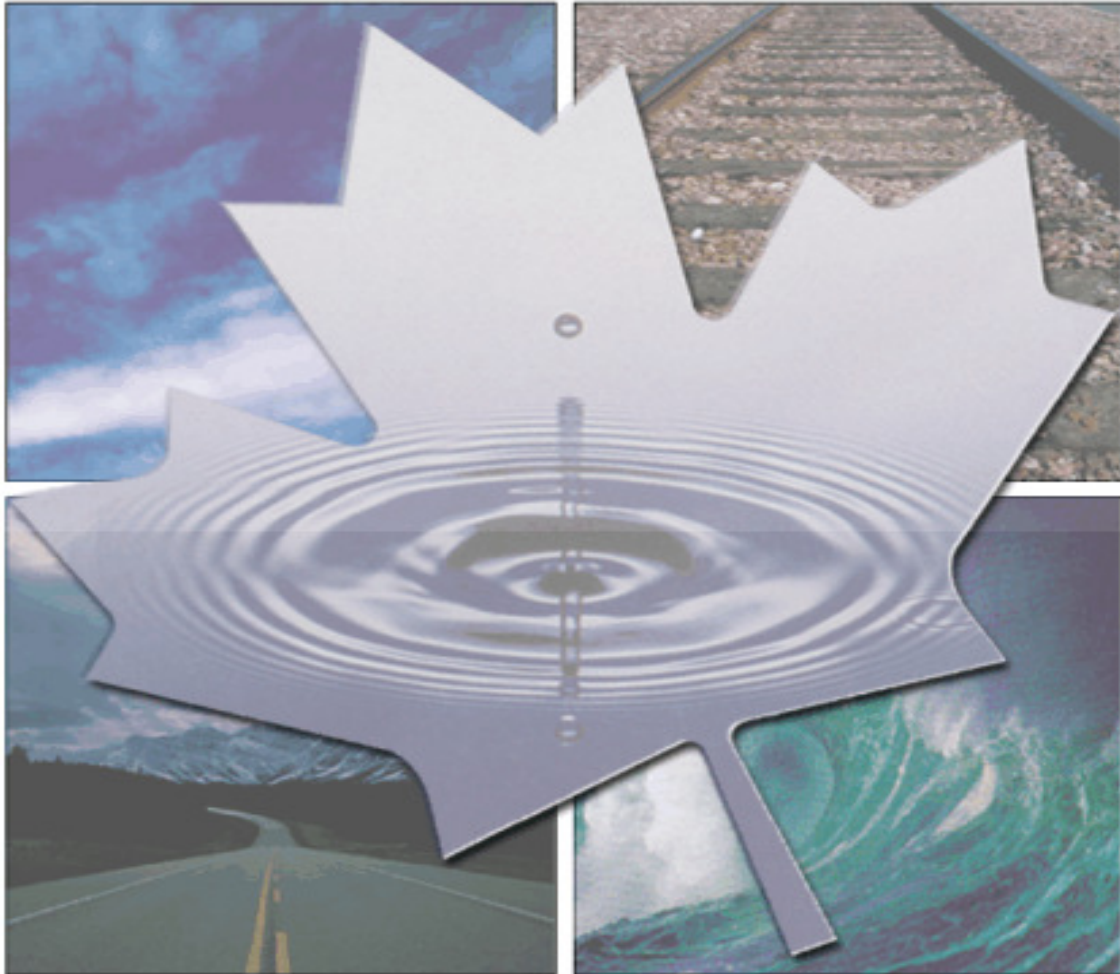# Audit and Advisory Services
Integrity, Innovation and Quality

Review of People Management Practices in Support of Regional Safety and Security Inspectorates

File Number: 1577-12/13-101

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Executive Summary

Introduction

The review was included in the Department's 2012/13 Internal Audit Plan because a number of recent internal audits, external audits and reviews, including a Preliminary Survey of Human Resources in 2012, had findings that suggest gaps and weaknesses in the people management systems that should support Safety and Security (S&S) inspectors and managers.

Approximately a quarter of Transport Canada's (TC) employees are Safety and Security inspectors who operate out of about 70 TC offices across Canada.

The work of these inspectors is vital to the safety and security of Canada's aviation, rail, marine and transportation of dangerous goods systems. It is TC inspectors and their managers who implement the Department's oversight programs and methodology and who determine whether companies are meeting safety and security standards, and if these standards are *not* being met, it is TC inspectors that assess the companies' corrective action plans and decide when the plans can be considered implemented.

Objectives & Scope

This review assessed the adequacy and effectiveness of policies, processes and procedures for regional S&S inspectors and managers in three key people management areas: Employee Performance Management (EPM); Values & Ethics (V&E)/Conflict of Interest (COI); and Conflict Resolution (CR).

EPM is an ongoing and active process in which managers and employees work together to set employees' performance objectives and then monitor and review their progress against the objectives and their overall contributions to achieving the organization's goals. At TC, the stated goal of EPM is to foster performance excellence and employee engagement through open communication about roles and responsibilities, performance and learning needs.

V&E are the values and behaviour that are expected of employees in all activities that relate to their professional duties; and COI – a component of V&E – is a real, apparent or potential conflict of interest situation that can arise for an employee in the course of or after his/her public service employment.

CR refers to formal and informal conflict resolution processes. Formal processes involve grievances and complaints, and informal processes involve collaborative problem-solving, sometimes with assistance from mediators.

Conclusions

The review team found opportunities for the Department to improve its people management practices in support of Safety and Security inspectors and their managers.

On Employee Performance Management, it was found that the Department is not providing sufficient direction for managers on the development of clear work objectives and performance measures for inspectors, resulting in a performance assessment process that is not effective at evaluating performance, recognizing good performance, or identifying performance gaps.

On Values and Ethics/Conflict of Interest, the review team found that there has been little guidance on COI issues that might arise for inspectors. As well, it was found that the processing time for COI declarations takes considerably longer than the 90-day standard that another department (Public Works and Government Services) has set for itself or the 120 days that an Office of the Auditor General audit says is too long.

On Conflict Resolution, the review team found close to 1,200 open grievances in the Department as of late October 2012, almost all from Safety and Security employees stemming from the reorganization of Civil Aviation, and no TC Informal Conflict Management System aimed at resolving issues before they become grievances. Clearly TC management spends more time, and therefore resources, on formal than informal conflict resolution.

The review team's view is that the issues identified here are most likely relevant to other parts of the Department too, although the review only covered regional Safety and Security programs. They also believe resolution will require culture change, which takes time, and thoughtful coordinated follow-up action by three groups–the Human Resources function, Safety and Security Program functional authorities, and management in regions.

Statement of Conformance

This review conforms with the Internal Auditing Standards for the Government of Canada, as supported by the results of an external assessment of Internal Audit's quality assurance and improvement program.

Signatures

Signed by D. Leach	June 14, 2013
Dave Leach (CIA) Director, Audit and Advisory Services	Date

Signed by L. Ruzzier	June 14, 2013
Laura Ruzzier, Chief Audit Executive	Date

1.0 INTRODUCTION

1.1 PURPOSE

The purpose of this review is to provide assurance to the Deputy Minister (DM) and the Transport Canada (TC) and Infrastructure Canada Audit Committee on the adequacy and effectiveness of Transport Canada's people management policies, practices and processes in support of regional Safety and Security (S&S) inspectors and their managers[1].

1.2 FOCUS

The focus of the review is people management at Transport Canada, in particular support to and management of the approximately 1,200 Transport Canada employees who are inspectors for the Department's S&S programs.

The work of TC inspectors (approximately a quarter of the Department's staff) is vital to the safety and security of Canada's aviation, rail and marine systems and transportation of dangerous goods systems. It is TC inspectors that determine whether companies are meeting safety and security standards, and if these standards *are not* being met, it is TC inspectors that assess the companies' corrective action plans and decide when the plans can be considered implemented.

TC's regulatory activities for the air, marine, and surface transportation modes involve certifying companies, equipment, individuals, means of transportation (aircraft, ships) and monitoring their compliance, primarily by inspections or audits. These activities require TC to oversee thousands of companies, individuals, and means of transportation.

The review was included in the Department's 2012/13 Internal Audit Plan because a number of recently completed internal audits, external audits, and reviews indicated gaps and weaknesses in the Department's processes/tools to support inspectors and their managers. Two preliminary surveys by the Internal Audit function in particular, one of HR services and the other of regional operations, identified risks associated with people management practices, and a Conflict of Interest review, also by the Internal Audit function, found a lack of consistent or timely processing of COI declarations by headquarters and regional offices and a lack of monitoring by TC's Values and Ethics Office.

As well, some observations from past audits and reviews of Safety and Security programs were considered relevant to this review, including:

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[1] The term "managers" is meant to include supervisors and others with people management responsibilities affecting Safety and Security operations in regions.

- Limited transition planning, in certain instances, in support of S&S regulatory program changes that have significantly affected inspectors' responsibilities;

- Weaknesses in regulatory oversight practices, such as inspections not conducted in accordance with established methodologies;

- The need for greater focus on managerial oversight and supervision, without which effective operational monitoring and continuous improvement cannot fully take place; and

- The need for functioning Quality Assurance (QA) programs, particularly during times of change and for operations that are widely dispersed.

Each of these audits and reviews made recommendations, and management action plans to address them are now being implemented. However, the audits/reviews had a different focus and the action plans will not necessarily address underlying people management gaps, so this review was undertaken.

1.3   TC'S SAFETY AND SECURITY MANDATE[2]

Efficient, safe and secure transportation systems and environmental responsibility are priorities for Transport Canada. A key part of Transport Canada's mandate is therefore to promote safe and secure transportation systems and safeguard public safety and security through oversight of transportation companies.

The Department has S&S programs for civil aviation, marine safety, marine security, rail safety, road safety, security and emergency preparedness, transportation of dangerous goods, and rail and urban transit security.

Approximately 3,000 (57%) of the Department's full-time equivalents (FTEs), i.e., staff, are in the headquarters office. Safety and Security functional authorities in headquarters are responsible for developing oversight policies/processes/procedures and providing functional direction to staff, mainly in regional offices, charged with their implementation.

The 43% of FTEs in regional offices (approximately 2,350 FTEs) include 1,750 that are directly involved in delivery of S&S programs. Regional employees focus on oversight and enforcement.

The environment for S&S programs is complex.

The government is moving toward a less prescriptive, more performance-based regulatory framework for safety programs, so some TC S&S programs – Marine Safety and Civil Aviation Safety among them – are being transitioned from inspection approach to a systems-based approach involving management system audits. This transition brings with it a major change in the role and responsibilities of inspectors.

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[2] http://www.tc.gc.ca/eng/aboutus-whatwedo.htm

Another complexity is that TC inspectors, because of the technical knowledge and skills required, are typically recruited from transportation companies, and they may in the course of their careers move back to private companies for a time or permanently. There is thus a greater risk of inspection staff being exposed to conflict of interest situations, for example, should their inspection responsibilities involve oversight of a former employer or should they be invited to do part-time work for a company the Department oversees.

A third challenge is that the Department has many (approximately 70) points of service for Safety and Security programs, so inspectors and their managers may not be located in the same office. Managing a mobile and often dispersed workforce requires stronger people management skills.

Because regional Safety and Security programs are so critical to the Department's effectiveness, this review focused on examining the adequacy and effectiveness of Transport Canada's people management policies, practices and processes in support of regional S&S inspectors and their managers.

1.4   PEOPLE MANAGEMENT FRAMEWORK

A people management framework consists of policies/processes/practices to align an organization's workforce with its strategic objectives and responsibilities.

For an organization to be effective, employees from the most junior levels to the most senior level should have a clear understanding of their roles and responsibilities, their performance objectives, and the Department's standards for the work that they do.

The organization should have effective processes for providing direction/guidance, monitoring employees' progress and performance, acknowledging good performance, and where required, acting on poor performance or conflict of interest.

At TC, three stakeholder groups share responsibility for effective people management in oversight programs – the Human Resources function in Corporate Services, headquarters functional authorities[3] in oversight programs, and regional management (the receivers of functional direction from S&S and HR functional authorities).

From the review team's perspective, the people management-related responsibilities of the three groups are as follows:

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[3] Up to and including the Assistant Deputy Ministers.

Human Resources Function (in Corporate Services)[4]

- Communicating federal government expectations (from Treasury Board Secretariat (TBS) and Public Service Commission (PSC)) related to employee performance management, values and ethics/conflict of interest and conflict resolution, and ensuring they are met by TC;

- Where there are people management issues/challenges specific to Transport Canada, leading the development/communication /implementation of TC-specific policies/procedures/tools;

- Enabling managers by providing training, guidance on training and other support;

- Maintaining a TC database for HR information's HR database, ensuring its completeness, and using it to monitor and ensure the effectiveness of TC HR activities;

- Reviewing and recommending on COI declarations and, with senior management in other areas, providing leadership regarding values and ethics (V&E)/conflict of interest (COI); and

- Flagging people management issues/challenges to senior management.

Safety and Security Program Functional Authorities

- Developing national standards for oversight programs, e.g., for risk-based inspection programs and inspections (inspection frequency, inspection documentation, inspection follow-up);

- Developing national HR plans to ensure the Department will have the staff and training necessary to meet oversight program responsibilities;

- Providing functional guidance to regional staff that deliver the programs;

- Ensuring there is effective Quality Assurance for S&S programs (e.g. inspection plans and processes, documentation and follow-up);

- Providing TC-specific V&E/COI guidance and helping the HR function ensure the Department's V&E/COI regime is effective for oversight programs; and

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[4] The role of regional HR advisors is to support regional managers in Employee Performance Management, labor relations, conflict resolution, COI declarations, and management of awards and recognition.

- Maintaining data on oversight regime performance.

  Regional Management

- Ensuring oversight programs are delivered in their regions;

- Developing clear performance objectives for regional staff;

- Monitoring regional oversight program staff and ensuring their effectiveness; and

- Ensuring appropriate attention to real, perceived and potential conflicts of interest involving regional staff.

1.5   AUDIT OBJECTIVE & SCOPE

This review assessed the adequacy and effectiveness of the Department's people management policies, practices and processes in support of regional Safety and Security (S&S) inspectors and their managers in three areas: Employee Performance Management (EPM), Values and Ethics/Conflict of Interest (V&E/COI), and Conflict Resolution (CR). In particular, it looked at support to regional inspectors and managers who deliver transportation oversight programs.

Employee Performance Management (EPM) is an ongoing and active process in which managers and employees work together to set performance objectives and then monitor, and review employees' progress against those objectives and employees' overall contributions to achieving the organization's goals. At TC, the stated goal of EPM is to foster performance excellence and employee engagement through open communication about roles and responsibilities, performance and learning needs[5].

Values and Ethics (V&E) are the values and behaviour that are expected of employees in all activities related to their professional duties; and Conflicts of Interest – a component of Values and Ethics – are situations (real, apparent or potential) that can arise for an employee in the course of or after his/her public service employment.

Conflict Resolution (CR) refers to the Department's formal and informal conflict resolution processes. Conflict resolution is an important element of people management because effective conflict resolution supports an engaged, productive and healthy workforce.

The scope did not include an examination of the management-union relationship.

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[5] Source: TC 2012 EPM Directive.

1.6   REVIEW APPROACH

TC people management practices and related processes were assessed against review criteria by:

- Reviewing TBS and TC people management policies/directives/tools, etc.;

- Reviewing Terms of Reference (TORs) and minutes of departmental committees with responsibilities related to people management;

- Reviewing HR risk assessment documents and information about training for S&S staff;

- Reviewing past internal audits, external audits and reviews related to people management in TC and TC S&S programs;

- Walkthroughs of people management processes and systems and review of TC data related to EPM, COI and CR;

- Interviews with 69 regional TC employees (Atlantic, Quebec, Ontario and National Capital Region):

    o   Regional Director Generals (4) and Strategic Advisors (4);
    o   Regional Directors of Human Resources (4) and HR Advisors (7);
    o   Regional Directors of S&S programs[6] (9);
    o   Regional managers and supervisors (various transportation modes) randomly chosen from an employee data base (14); and
    o   Inspectors (various transportation modes) (27).

- Interviews with headquarters HR representatives (functional leads or practitioners for EPM, V&E and COI, and Labour Relations) (12); and

- Interviews with Directors General or senior staff members for each S&S program (8).

The review team sought open dialogue throughout the process by communicating significant observations to the appropriate Regional Director General and/or functional lead(s) after each site visit.

Although termed a "review", the methodology and approach followed for this project meets the standards of an audit.

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[6] Civil Aviation, Marine Safety, Transportation of Dangerous Goods, Air and Marine Security, Rail and Surface

1.7   REPORT STRUCTURE

Sections with specific findings for each of the three areas reviewed (Employee Performance Management, Values and Ethics/Conflict of Interest, and Conflict Resolution) follow this introduction.

After the findings section, there is a Conclusions section and then a Recommendations and Management Action Plan section. This last section gives the review team's recommendations for actions to address identified weaknesses/gaps and the Department's action commitments to address review recommendations.

2.0 FINDINGS: EMPLOYEE PERFORMANCE MANAGEMENT

Employee salaries are one of the Department's largest expenditures and therefore employee performance management is one of its most important responsibilities. It is also a key enabler for a productive and healthy workplace, one which meets its regulatory responsibilities.

At its most basic level, EPM is the process by which managers and employees set employees' performance objectives, conduct performance assessments, develop learning plans and monitor progress against these plans[7]. Acknowledgment/recognition of good performance and, as necessary, follow-up on poor performance are equally important.

To manage employee performance, the Department must have an EPM framework at the organizational level with policies/processes/procedures that provide the guidance/information needed by managers and employees, tools/training and other support, and clearly-defined roles and responsibilities. Normally for a framework to be effective it must have a strong Quality Assurance component. And to have a strong QA component there must a strong EPM database.

It also needs a good data system for EPM information and a good Quality Assurance process to ensure that policies, processes and tools are working as intended.

2.1 FRAMEWORK IN SUPPORT OF EPM

In 2011, the HR function initiated work on a TC People Management Policy Framework to foster "a workplace and/or workforce where employee performance is effectively managed, supported and recognized". At the time this report was written (November 2012), the framework had been developed but not approved.

As well, the HR function has developed a number of policies, processes and procedures in support of the EPM process. They include an EPM Directive, EPM Procedures, and guides for employees and managers that were revised February 1, 2012.

The HR function has also developed policies and procedures around learning. Individual Learning Plans (ILPs) are to be completed annually and are designed to help employees achieve their contributions to objectives, develop their competencies, and advance their career goals. The TC *Learning Roadmaps* set out mandatory and recommended training for supervisors, managers, executives, senior executives and Assistant Deputy Ministers (ADMs).

With respect to employee recognition, the Department has an Awards and Recognition Program to recognize the contributions and job-related achievements of TC employees and groups of employees.

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[7] Excerpt from Office of Chief Human Resource Officers material specific to Common Human Resources Business Processes for Employee Performance, Learning, Development and Recognition.

With respect to poor performance and employee discipline, TC managers and employees seeking information can seek information from the Treasury Board Secretariat website, accessible through HR Online links. No TC-specific documents have been introduced.

The team also believes that the timing of the EPM process is critical. Identification of senior management performance objectives should coincide with development of the Department's integrated business plan, ideally in March, and performance objectives for employees should cascade down from senior management objectives.

Instead, the EPM and integrated business planning processes do not seem to be connected and performance objectives are not set until often a quarter of the way through the fiscal year. For example, the call letter for 2012/13 executive performance objectives was issued in October 2012. When executive and employee objectives are developed so late in the year it diminishes the relevance of the EPM process.

Policies, processes and procedures provide no guidance on how to establish specific and measurable performance objectives/expectations for employees

TC EPM Directive and EPM Procedures describe the annual EPM process at TC. The goal is to foster performance excellence and employee engagement. The process includes:

- Discussion and documentation, in annual employee performance accords, of employee work objectives, expected contributions, and performance measures;

- Ongoing performance discussions between employees and managers; and

- Mid-year and end-of-year performance evaluations.

TC guides for managers and employees note the importance of "workable goals" and "straightforward expectations" for employees. This is consistent with Office of the Chief Human Resources Officer (OCHRO) guidance, which says performance objectives/expectations should be: specific in terms of what is expected of an employee; measurable in terms of quality, quantity, cost and time; and time-bound.

The review team found that TC EPM guides give no specific guidance to managers or employees on developing performance objectives/expectations that are specific, measurable and time-bound. Without clear performance objectives/expectations that are measurable and time sensitive, the evaluation of employee performance is made more challenging and less effective.

The review team heard that some S&S functional authorities are introducing standardized work objectives, employee contributions, and performance measures for certain of their employees. For example, the Aviation Security program recently developed (for 2013/14 implementation) standardized performance measures for managers (TI-7/8s) and inspectors (TI-6s). Although standardized measures do give a general sense of what is expected of inspectors, the review team found them more like work descriptions than tools for performance evaluations, because they are not specific to individuals.

The review team is of the view that more work is needed to ensure employee contributions and performance measures are clear, measurable, and tailored to the activities of individual employees.

Without well-defined objectives and performance measures for individual employees, there will be no sound basis for performance evaluations.

Responsibility for EPM effectiveness rests only with managers

The TC senior management committee (TMX) has overall lead on EPM implementation, as TMX sets departmental priorities[8]. The HR function oversees the process and tracks completion dates of performance accords and performance evaluations (required information for Management Accountability Framework assessments), but does no quality control. In other words, there is no independent review of the quality and relevance of the objectives and the adequacy and usefulness of performance assessments.

The review team's perspective is that the main responsibility for EPM effectiveness lies with managers. It is managers who develop performance accords (i.e. define expected employee contributions and corresponding performance measures) and complete performance evaluations. But individual managers cannot by themselves ensure overall S&S program and EPM objectives are achieved.

The review team believes the EPM process could be strengthened by a strategic analysis of its strengths and weaknesses by the HR function and senior management.

2.2   KEY CONTROLS IN THE S&S INSPECTION REGIME

The review explored the extent to which regional S&S program inspectors are aware of the department's performance expectations for them, how inspectors' performance is monitored, whether corrective action (if required) is timely, and the adequacy of guidance, support and training for regional S&S managers.

Performance accords are being established for inspectors but they are considered of limited value

The review team heard from inspectors that were interviewed that they believed they understand the Department's expectations of them. Most said they found little value in performance accords because as written the work objectives, expected contributions, and performance measures in performance accords did not increase their understanding. Instead, they said they relied on unit work plans, their own experience, and direction from their managers.

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[8] TC Employee Performance Management Directive

Regional management and staff are concerned about poor performance

The overall perspective of interviewees, from inspectors to Regional Directors Generals to HR managers and advisors was that managers are not doing enough to address poor performance. They suggested a number of possible causes:

- To the extent that inspectors have performance objectives, there are no consequences for those that do not meet their performance goals;

- Managers do not feel well supported by HR advisors or senior management when attempting to address poor performance;

- Managers are too busy with inspections and other administrative responsibilities to address poor performance; and

- Managers are not trained to, or comfortable with, documenting or addressing poor performance.

Performance evaluations are not being used to identify performance issues

The review team asked to review performance accords for the 41 inspectors, supervisors and managers that were interviewed and of the 41, they received 39. The accords provided the following information:

- A year-end performance evaluation had been completed for 38 of the 39 (97%) employees;

- Just five (14%) of performance evaluations included any overall comment on performance and each of the five was positive (four said the employees had met expectations and one said the employee had exceeded expectations); and

- None of the performance evaluations made any reference to poor performance or opportunity for improvement.

The review team looked at performance evaluations for two individuals who had been identified as poor performers through other processes. Although the team reviewed the last 10 years of performance evaluations for the first individual and a recent performance evaluation for the second individual (the only one available), they found no reference to inappropriate behavior or poor performance, in fact the evaluations were quite positive. This seemed to corroborate the suggestion from inspectors and managers that performance assessments are not being used to identify performance issues.

The training and guidance provided to managers may not be enough to help them address poor performance or inappropriate behaviour

Addressing poor performance is arguably one of a manager's most challenging responsibilities.

There is an OCHRO website designed to provide practical guidance for managers on performance management and TBS guidelines related to unsatisfactory performance, discipline, medical incapacity, and rejection on probation. OCHRO encourages departments to customize this information, but TC has not. TC managers who have questions not answered by OCHRO and TBS documents can seek help from HR advisors.

Regarding training, all TC managers are required to take two Canada School of the Public School (CSPS) courses: *Essentials of Managing in the Public Sector* (G110) and *Essentials of Supervising in the Public Service* (G124). Managers new to TC are also required to take *Staffing: A Resourcing Tool for Managers* (P901).

There is no TC-specific mandatory training for managers. The TC *Learning Roadmap for Managers* recommends that managers take the TC *Middle Management Development Course (*MMDC), which was designed to develop the "interpersonal skills and emotional intelligence" to be an effective manager. The curriculum includes teamwork, coaching skills, conflict management, emotional intelligence, communication, and strategic change management. Since a redesigned MMDC course was launched in 2009, 151 managers have taken it, including 32 from S&S programs[9].

The fall MMDC offering at TC was cancelled because according to the HR function CSPS's new Core Management Skills for Managers (G601) offers the same material, modelled on the TC course. The review team was advised that the HR function is now doing an analysis of information needed by new TC managers with primarily technical experience.

In 2011, a two-day *Foundations of EPM and Development Workshop* was developed by the HR function. The workshop seeks to create a cultural shift for participants by demonstrating how to navigate the formal EPM process. It includes a module on identifying specific and measurable employee contributions and performance measures, and on having conversations about poor performance and determining courses of action to address it, but the course is not mandatory and there has been little uptake.

The review team is of the view that managers would benefit from TC-specific guidance and training on EPM.

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[9] A list from the HR function of S&S inspectors and their managers was checked against a list of TC employees that have taken the MMDC course since its re-launched 2009, also from the HR function, to obtain this number.

3.0   FINDINGS: VALUES & ETHICS AND CONFLICT OF INTEREST

Increasingly, the federal government is giving attention to conflict of interest awareness, prevention and resolution.

Because of the nature of their work, there is understood to be an inherent conflict of interest risk for inspectors in federal regulatory departments. For example, inspectors could be asked to do part time work for companies whose activities are overseen by the federal government, they could be offered favors or other incentives, or they could be compromised by moves back and forth between private industry and government.

In 2003, the federal government introduced a *Value and Ethics Code for the Public Service* for the core public administration.

Two years later, the *Public Servants Disclosure Protection Act (PSDPA)* said there should be a code of conduct for the entire public sector so an updated code (the *Values and Ethics Code for the Public Sector*) (PS Code) was introduced on April 2, 2012.

A related *Policy on Conflict of Interest and Post-Employment* was also established to help departments and public servants deal with real, potential and apparent conflict of interest situations during or after public service employment.

In 2010, an Office of the Auditor General report[10] provided a succinct summary of the reasons for attention to values and ethics and conflict of interest:

> "Conflicts of interest can call into question the integrity and fairness of decisions that public servants make. While it may not be possible to avoid all situations of conflict of interest, these situations must be disclosed and addressed. If they are not properly managed, conflicts of interest can increase the level of distrust and cynicism toward government. Over time, government actions can come to be seen as less legitimate and less effective in such a climate."

3.1   TC'S V&E/COI POLICY INSTRUMENTS

V&E/COI policy instruments and supporting documents are being developed

Because the Values and Ethics Code of Conduct for the Public Sector could not cover department-specific risks, the PSDPA requires that each federal organization establish its own code of conduct that is specific to its work environment, mandate and risks.

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[10] Chapter 4—Managing Conflict of Interest, 2010 Fall Report of the Auditor General of Canada

A Transport Canada Code of Values and Ethics was approved by TMX in July 2012; the planned launch date is January 2013. As well, the HR function is preparing Department-specific Guidelines on Conflict of Interest and Post-Employment. Although these guidelines have not yet been reviewed by TMX, two components – the list of *Positions of Risk* and a new COI-PE declaration submission process have been approved by TMX.

The review team found the TC Code quite generic, with much the same information as the government-wide document. The draft guidelines are more specific, with references to a number of situations that could arise for S&S inspectors.

The review team looked at other TC V&E/COI documents, most of which are still under development (the HR function plans to introduce them after the Code and Guidelines have been launched):

- A "Positions of Risk" list identifying 1,800 positions for which COI declarations from incumbents will be mandatory;
- Procedures for HR practitioners on the Processing of Conflict of Interest and Post-Employment Declarations;
- A handbook for employees on Conflict of Interest and Post-Employment;
- A manager's checklist on the PS Code and Policy on COI;
- Case scenarios to explain the TC V&E Code;
- A COI casebook to help HR advisors make recommendations on COI declarations; and
- A Frequently Asked Questions document about the TC and PS codes and the (TBS) Policy on COI and Post-Employment.

3.2   TC'S COI PROCESS

Deputy Ministers are expected to ensure that public servants in their organizations are able to report situations, assets or interests that represent a real, apparent or potential conflict of interest with their duties.[11]

As required, TC has introduced a COI process. Any employee who believes he/she might be in a conflict of interest situation, or who is considering a situation that could be a conflict, is expected to submit a *Declaration of Conflict of Interest and Post-Employment Form*.

Low risk declarations (declarations not related to an employee's duties or TC and its mandate) are considered Level 1 declarations and are reviewed by regional HR advisors; decisions are made by Regional Directors General or Assistant Deputy Ministers.

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[11] TBS Policy on Conflict of Interest and Post Employment, 2012.

High-risk declarations (Level 2 declarations) are reviewed by headquarters HR advisors, with final decisions made by the Deputy Minister.

After their first COI declarations, employees in positions of risk will themselves decide whether updates are necessary

The TBS Policy on Conflict of Interest and Post-Employment requires that deputy heads determine which positions in their organizations may be at risk for post-employment concerns (normally all positions in the executive category) and designate them as positions of risk.

The HR function has developed a TC *Positions of Risk List* that includes executive category (EX) positions and a significant number of other departmental positions, including many positions in Safety and Security programs. The list includes Technical Inspectors (TIs), Aircraft Operations employees (AOs), Engineering and Support employees (EGs), Engineers (ENGs), and senior Purchasing and Supply employees (PG 05's and 06's). In July 2012, TMX approved the list and agreed that COI declarations for incumbents of these positions be mandatory.

The review team sees mandatory COI declarations from incumbents of positions of risk as a very useful tool to reduce the Department's COI risk. However, the team is concerned that there is no requirement for regular updates from these employees, although an employee's circumstances can easily change over time. For example, the circumstances of a new hire would be different than after his/her duties have been assigned.

For this reason, the team believes there should be a requirement for periodic updates from incumbents of positions at risk. It could be done annually, for example when performance evaluations are done, or on another schedule determined by the Department. The process could be simple: if there had been no change in the employee's circumstances, he/she would simply provide written confirmation to that effect.

This would be consistent with the TBS policy requirement that says employees should review their obligations and determine whether a COI declaration should be filed on a regular basis, and every time a major change occurs in their personal affairs or official duties.

TC decision-making on COI declarations has been slow

The review team found that the average processing time for pre-2011 COI declarations was 187 calendar days for Level 1 declarations (processed by regions) and 332 calendar days for Level 2 declarations (processed by headquarters).

In early 2011, the HR function made a concerted effort to review and resolve a large backlog of COI declarations, however the processing time for declarations is still lengthy. The average processing days for 38 Level 1 declarations and 51 Level 2 declarations submitted and closed since January 2011 are 160 and 178 calendar days respectively.

In its fall 2010 report on a review of COI processes at TBS and five departments, the Office of the Auditor General suggested that 120 days is "a long period of time for a department to operate with the uncertainty of a COI situation." The OAG further noted that Public Works and Government Services Canada (PWGSC) had established a standard of 90 days for the processing of its own COI declarations.

At TC, the review team found that 66% of Level 1 declarations and 76% of Level 2 declarations submitted and closed since January 2011 took more than 90 days to resolve.

Needless to say, some COI declarations will be particularly challenging and thus slow to resolve. However, if the processing of routine declarations is also slow, the notion that the Department considers V&E/COI important will be undermined.

HR advisors do not have all the tools to ensure consistency of decisions about COI declarations involving "outside activities"

HR advisors are expected to ensure consistency in the Department's responses to COI declarations.

However, a 2011 Internal Audit review of COI decisions found potential for inconsistency between regional and headquarters decisions, and an analysis by the HR function drew a similar conclusion. The HR analysis found decisions on some types of declaration (those related to assets, post-employment activities and political activities) had been consistent but decisions related to outside activities (Level 2 cases requiring DM approval) were not.

Some steps have been taken, but the review team is not yet convinced that HR advisors have all the tools to ensure consistency.

The HR Program was to create a tool (a risk assessment model) to facilitate assessment of outside activities, but it has not yet been developed.

As well, a "casebook" was to be developed with relevant precedents for Level 1 and Level 2 declarations. A casebook has recently been drafted, but it is simply a list of past COI decisions, and such a list is already available from Transport Integrated Personnel System (TIPS). There is no discussion or guidance on how future declarations should be assessed.

COI information in TC TIPS database is incomplete

Conflict of Interest declaration information is recorded in TIPS, one of 17 HR applications in the TC Oracle-based data system for human resources information. TIPS and the Financial Management System are the Department's two core data systems.

TIPS has the following fields regarding COI declarations: the employee's name and region, the subject matter of the declaration (outside activities by the employee, working with relatives, gifts or hospitality, assets, political activities, post employment), the level of the conflict (Level 1 or Level 2); the date of declaration; the date the declaration was received; the status of the declaration (to be actioned, in consultation, under legal review, closed), the decision rendered, and the decision date.

The review team found the COI TIPS information useful but also observed weaknesses:

- Not all COI declarations have been recorded in the system–an analysis of COI&PE declarations by the HR Program in early 2011 determined that not all regions had been recording their Level 1 COI declarations;

- Some fields are blank, indicating that information about some declarations is not complete or current. For example, regional HR advisors had not always recorded the "closed" date;

- Fields do not include the group or level of the employee that submitted the declaration; and

- Finally, although HR advisors and managers are responsible for ensuring that employees acknowledge and accept COI decisions and obtaining evidence that the conflict has been resolved (e.g., disposal of shares), no "final closure date" field exists in TIPS. The "closed" date for COI declarations is the date a decision was rendered rather than the date when the HR function has confirmed the decision was addressed.

More complete information on COI declarations would provide a basis for a more substantive analysis of COI declarations and their handling, which in turn could support better prevention.

3.3   VALUES AND ETHICS OFFICE

TMX established a Values and Ethics Office in the HR function in April 2008. The
Office was to be a centre of expertise on values and ethics, conflict of interest, and
political activities for managers and employees across Canada. It was also to promote
values and ethics in day-to-day decision-making and behavior.[12]

There has been considerable turnover in the V&E Office

When the Values and Ethics Office was established, an individual with a background in
values and ethics, organizational development, and strategic human resource
management was named director. Two supporting positions were also staffed.

Since that date, the director has changed three times. More recently, the position has
been eliminated and the supporting positions now report to the HR Program's Director of
Labour Relations, Compensation and Occupational Health & Safety.

At the time the Office was created, it was expected to do awareness and training
activities, policy review and development, assessments and reporting, and to provide
advice, but its activities have been more limited. It has not provided training or training
materials and assessment and reporting activities have involved mainly the processing of
Level 2 COI declarations.

Corporate Service management action plans responding to a recent review identify two
major tasks for remaining V&E staff:

- Review by the HR function in HQ of future COI declarations to determine level 1
  and level 2 status, including the 1,800 mandatory COI declarations from
  incumbents of Positions of Risk; and
- A review of regional practices to ensure that documentation of COI decisions is
  consistent and complete and there is monitoring to confirm that employees have
  met their obligations re COI decisions.

3.4   KEY CONTROLS RELATING TO INSPECTORATE REGIME

The review explored the extent to which S&S inspectors are aware of departmental V&E
expectations, how these expectations are being conveyed/reinforced/modeled, and how
management reinforce the importance of these expectations, and how behaviour is being
monitored.

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[12] Source: Deputy Minister's Communiqué to all TC employees, April 16, 2008.

Inspectors are less familiar with high-risk than low-risk COI issues

All TC employees are expected to familiarize themselves with the PS Code for V&E and the Policy on COI & Post-Employment and consider how the Code and Policy apply to them. They are also expected to assess their personal circumstances and submit a COI declaration should there be any possibility of a real, apparent or potential conflict of interest.

TC managers are expected to ensure their employees have access to and understand the PS Code and, in particular, the Policy.

Most of the inspectors interviewed had an understanding of COI situations involving accepting gifts and hospitality and working with relatives. However, their level of awareness and understanding of more complex and high-risk COI situations – outside activities, employment during periods of leave and leave without pay – was not as evident.

This was a concern for the review team as 63% of COI declarations from TC employees (63%) relate to outside activities.

The review team's observations were consistent with findings of a Values and Ethics Office survey in June 2011. Although the response rate was limited (just 8.3% of the TC population) and the survey was not specific to TC inspectors, respondents indicated a strong interest in COI information, with the topic of greatest interest being "outside activities". One of the Values and Ethics Office's conclusions was that TC employees need more information about COI issues raised by outside activities.

Inspectors' knowledge about V&E/COI may be dated

Most of the inspectors interviewed said their knowledge about V&E/COI came from the PS Code referenced in their letters of offer (in many cases, ten or more years ago), orientation sessions shortly after their arrival (which again may have been several years ago), and the section about expected employee behaviour in performance accords. These statements suggest inspectors' knowledge may be dated or limited.

Findings of the HR function's V&E survey in 2011 were similar. Close to two-thirds of respondents (62%) expressed interest in a training session on the new TC Code of Values and Ethics and guidelines on Conflict of Interest and Post Employment, respondents said they needed information about reasons for filing COI declarations and "outside activities".

This is a concern to the review team, because requirements have evolved; it is important that employees base their decisions on current information.

Managers may not have had the training to guide employees on V&E and COI

The Department's draft guidelines on COI and Post-Employment say that regional managers should be able to provide the information their employees need about V&E/COI: "As leaders and models for others, managers have the added responsibility of ensuring others understand and abide by TBS' Policy on COI and Post-Employment, as well as building and promoting a safe, healthy and respectful workplace."

However, the review team was not convinced that managers are well enough informed about V&E/COI to play this role. Regional HR advisors are generally available to answer questions, but they have not provided training or information that would add depth/breadth to managers' awareness and knowledge about V&E/COI.

There are some signs of intent to address this. For example, at a TMX National Town Hall in December 2012, the HR function announced plans for a national employee awareness campaign to promote the new TC Code of Values and Ethics, and in Quebec Region, training for managers has been developed and there are plans to roll it out in 2013.

Safety and Security programs have not established policies to address the risks associated with inspectors assigned to TC clients

Safety and Security managers were asked whether there are procedures to prevent new inspectors from inspecting the companies that recently employed them prevent inspectors from inspecting the same company for a long period of time.

A number of managers said there might be a "cooling off" period before inspectors can inspect companies that previously employed them (the time ranged from three months to two years) but there is no national policy.

4.0   FINDINGS: CONFLICT RESOLUTION

As previously stated, the term Conflict Resolution refers to the Department's formal and
informal conflict resolution process. Formal processes involve grievances; informal
processes involve collaborative problem-solving, sometimes with assistance from
mediators.

4.1   CONFLICT AND CONFLICT RESOLUTION

As of late October, departmental records indicate 1,196[13] unresolved grievances from TC
employees. Almost all were filed by Safety and Security Program employees, including
1,096 from employees of the Civil Aviation Safety program. Approximately 90% of the
grievances were filed by regional staff. Three hundred and seventy grievances were filed
by 51 employees.

According to the HR data, the main subject areas are work descriptions (596),
compensation (288), and discrimination (181). The broader underlying issue, HR
advises, is workplace tension due to a reorganization of the Civil Aviation program that
started in 2006.

The Department has a National Labour Relations, Compensation, and Values and Ethics
Sub-Committee, chaired by the Chief of Labour Relations, a management representative
from the HR function. The Committee reports to the National Human Resources
Management Committee (NHRMC), which is mandated to provide organizational and
human resources management expertise and services in support of the TC mission. The
NHRMC is composed of the regional and headquarters HR directors, and chaired by the
Director General, Human Resources.

Nationally, there are 40 HR positions, the incumbents of which to a greater or lesser
extent provide labour relations services: 12 in headquarters and 28 in regions.[14] They
also provide Occupational Health and Safety (OHS), EPM, and V&E support. In last
year's deficit reduction exercise, an effort was made to protect the areas of staffing and
labour relations as much as possible. In future, there will be one LR expert and four
generalists offering a combination of LR, OHS, EPM and V&E support reporting to each
regional HR director.

TC does not have an Informal Conflict Management System

As section 207 of the 2005 *Public Service Labour Relations Act* (PSLRA) made it
mandatory for every department to have an Informal Conflict Management System
(ICMS), the review team expected to find an ICMS at Transport Canada.

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[13] TIPS data from the HR function (December 2004 to October 2012)
[14] Information provided by HR Directorate

The ICMS is meant to bring a more systematic approach to the management and resolution of workplace conflict, preventing potentially costly conflict resolution.

Besides providing options like coaching, mediation, and facilitation for employees and managers, an ICMS provides training in conflict resolution skills and builds understanding about working through a variety of conflict situations. The goal is a culture of conflict resolution and an alternative to formal complaints and grievances.

A July 2009 evaluation by Agriculture Canada of that department's ICMS[15] found the ICMS had been cost effective for the department. There had been an 83% settlement rate after more than 150 mediations, and conflict resolution training had strengthened staff conflict resolution competencies. The evaluation also included a comparative analysis which found settlement rates among other federal departments (DND, DFAIT, DFO, PWGSC) to be between 73% and 87%.

Transport Canada's 2010/13 Integrated HR Plan spoke of developing an ICMS, and the work description of the Department's Senior Conflict Resolution Advisor makes reference to development and promotion of an ICMS. However, the Department has not established an ICMS, so it is not yet in compliance with the PSLRA. The review team has been informed that there are decisions pending on the ICMS program design for TC. The team was advised that the work of the Department's Senior Conflict Resolution Advisor and other labour relations staff are more focused on grievances than informal conflict resolution for several reasons, the main one being the heavy workload associated with open grievances.

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[15] Evaluation of Informal Conflict Management Services Offered by AAFC's Office of Conflict Resolution, Office of Audit and Evaluation, June 9, 2009

4.2   KEY CONTROLS RELATING TO INSPECTORATE REGIME

Regional managers are in need of more training and support on conflict resolution

The managers who were interviewed said they are able to go to HR advisors with questions, but they would benefit from practical help with common employee questions and complaints about collective agreement provisions (e.g. travel expenses and leave processing). They said they had found it a challenge to get the information they needed about performance management and conflict resolution.

The review team looked for guidance material and training on formal and informal conflict resolution processes and found that there was little to help staff understand roles, responsibilities or standards. Such information would help managers charged with evaluating their employees' performance. As managers start to be equipped to assess and measure performance, it is likely more "poor performance" will be identified. This may in turn lead to more informal and formal conflict situations which will require HR support to be available to help managers.

As well managers in areas with known labour relations issues have expressed frustration with the level of corporate HR support they have received and they believe more should be provided to help them address issues before they become unmanageable.

5.0   CONCLUSIONS

In his Nineteenth Annual Report to the Prime Minister on the Public Service of Canada, the Clerk of the Privy Council said that the changes unfolding in society are outpacing the adjustments being made within the Public Service so rigorous performance management will be essential.

"All leaders and managers need to focus on getting the best out of their people and other resources," he wrote. "We must develop, encourage and expect excellence from public servants at all levels. And managers themselves must lead by example."

"In the months to come, I expect all managers to keep their teams focused on the important work we do by setting high standards for individual performance, and expecting employees to meet those standards. All employees should have a performance agreement with their supervisor."

Because their work is so critical to the effectiveness of this Department's transportation oversight programs, and these programs are critical to the effectiveness of the entire Department, this review looked at people management practices in support of Transport Canada's 1,200 Safety and Security inspectors and their managers.

There had been audit reports and other studies that touched on people management in the Department, and people management had been identified as a departmental priority, but there had been no audit or review specifically on people management.

The review team found a number of weaknesses.

On Employee Performance Management, it was found that the Department is not providing managers sufficient direction on establishing clear work objectives and performance measures for inspectors, which could help support the Department to address known weaknesses in regulatory oversight practices (e.g., conducting and documenting inspection results and following up on deficiencies).

As well, the review team found little attention is being given performance assessments for regional safety and security program inspectors or managers. In the performance assessments of a random sample of regional inspectors and managers, the review team did not find any reference to performance gaps or weaknesses. The review team looked at Human Resources Directorate documents to guide and facilitate employee performance management and at TIPS, the Department's HR data system. They found little uptake of TC people management training by S&S managers.

On the subject of Values and Ethics/Conflict of Interest, the review team expected to find a well-developed COI prevention framework, because it is acknowledged throughout the Department that the inherent risk of COI is high for Safety and Security inspectors.

However, it was found that there has been little guidance to date on the COI issues that could arise for inspectors, for example opportunities for outside work in companies

whose activities are overseen by the Department. The HR function has recently developed a list of approximately 1,800 "Positions of Risk" that will require mandatory COI declarations, and is to be credited for including Safety and Security inspector and manager positions.

However, the processing of COI declarations has historically been slow in TC and still takes longer than a 90-day standard another department (PWGSC) has adopted. In a 2010 audit report, the Office of the Auditor General observed that there should be timely processing of COI declarations because in the interim, departments are "operating in the uncertainty of a COI situation".

The review team found little attention being given to informal conflict resolution, despite a 2005 Act requiring each department to establish an Informal Conflict Resolution System. The Department has not established an Informal Conflict Management System, which limits guidance for employees and managers.

Overall, the findings suggest a need for coordinated action by three groups – the Human Resources Directorate, Safety and Security Program functional authorities, and regional Safety and Security management – to strengthen people management in support of regional Safety and Security Program inspectors and managers.

For this reason, the review concludes with recommendations for each group, which together could build a stronger people management culture. Because success will depend on integrated action, the Deputy Minister may wish to put in place some coordinating process, perhaps like the Civil Aviation Transition Steering Committee.

6.0 RECOMMENDATIONS AND MANAGEMENT RESPONSE AND ACTION PLAN

#	Recommendation	Detailed Management Action Plan	Completion Date for each action	OPI direct report for each action
		Recommendation 1		
	ADM Corporate Services (who oversees HR services for S&S programs) should support S&S program delivery by:			
1	a) Working with S&S Assistant Deputy Ministers and Regional Directors General to ensure that every S&S employee has specific, measureable and time-bound performance objectives related to their individual oversight responsibilities;	To assist managers with the implementation of the improved EPM Directive, issued in February 2012, Human Resources (HR) will: • To ensure consistency and alignment with departmental priority setting, all non EX employees (not on performance pay), including S&S employees, will now be on a calendar year EPM cycle.* • Establish tools for managers that will be on the department's Intranet, to specifically address how to establish objectives, assess competencies, and document and deal with poor performance.* • Clearly require that managers must meet new employees early in their initial weeks to outline performance expectations, including provision of standard objectives & measures as well as Key Leadership Competency expectations. An on-boarding checklist for managers to record this discussion will be developed. This requirement will be included in Managers performance assessments.	March 2014	DGHR

			Managers will be assessed on their ability to do the latter.		
1	b)	Implementing as part of its HR related monitoring a strong Quality Assurance process for TC's EPM that goes beyond tracking of EPM completion rates.	Within the EPM Directive, NCR and Regional Review Committees (Career Review Boards - CRB) are responsible to ensure that the EPM process is fair, credible and effective. In addition to ensuring that it is implemented consistently and fairly, Committees also provide the 1st level of assurance as to the quality of EPMs. Therefore, HR will work with Management to: • Ensure that CRBs, for non EX employees not on performance pay, are in place and are effectively utilized. • Develop a quality assurance monitoring process, using acceptable sampling methods, to ensure that EPMs are assessed in a fair and consistent way, and that supervisors and managers complete and record required follow-up actions.* • Ensure quality assurance is part of the Review Committee /CRB mandate within the EPM Directive and reinforce this through a common Review Committee /CRB Terms of Reference.* • As an interim measure, work with TMX members to initiate a sample review for Quality Assurance purposes and Report findings to TMX.	August 2014	DGHR
1	c)	Ensuring S&S managers have the tools and support they need to identify, document and address poor performance;	Transformation initiatives within the HR function have reassigned HR specialists to focus primarily on staffing and labour relations. This has permitted the:	March 2014	DGHR & RDHR

			• Establishment of the National Labour Relations Unit located in HQ to serve as a centre of expertise to assist with advice, coaching and services • Ensure that dedicated Labour Relations expertise continues to be readily available to support and advise management on performance management. In addition, to support managers in the area of performance management and to increase awareness and knowledge of tools to identify, document and address poor performance, HR will: • Initiate consultations with HQ and Regional management using focus groups to determine current and future LR needs or requirement to modify tools or support. • Build a communication plan to communicate existing (or any new) tools to managers (e.g. Guidelines for Termination or Demotion for Unsatisfactory Performance).		
1	d)	Ensuring S&S employees receive clear information re: the Department's Values and Ethics/Conflict of Interest expectations of employees and risks/issues most likely to arise for TC employees;	TC's Values and Ethics Policy Framework was launched to managers on March 20, 2013 and to all employees* on MyTC on March 25th. Key activities include: • HR will conduct an awareness campaign for managers to ensure they can brief their employees. • Directors / Managers will brief their respective	June 2014	DGHR

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		employees and seek feedback to ensure understanding. TMX members will follow up to ensure completion of briefings. • Employees will be asked to acknowledge that they have read and understood the Department's Values and Ethics/Conflict of Interest expectations in their EPM. • Monitor and report on completion rates. *** EXCEPTION NOTE**: While the Values and Ethics Code for the Public Sector (VECPS) currently applies to all employees, the TC Code, the Policy on Conflict of Interest (COI) & Post Employment (PE) and TC's Guidelines on COI & PE are not in force for groups whose collective agreement is still being negotiated. Instead, Chapters 2 and 3 of the 2003 Value and Ethics Code for the Public Service will continue to apply, and these policy instruments will take effect once new collective agreements are signed.			
1	e)	Ensuring TC employees in "Positions of Risk" submit COI declarations on a regular basis and there is prompt processing, decision-making and follow-up by the Department;	A Risk Assessment to identify "Positions of Risk" was developed and approved by TMX in June 2012. This includes the list of positions that require mandatory declarations. These were published in Transport Canada's Guidelines on COI & PE. Further, • All employees will be informed of the new requirements for conflict of interest and post-employment (COI & PE) by e-mail and MyTC. • Employees* subject to mandatory declarations to be	2014	DGHR

			• advised of obligations by e-mail.		
			• HR will develop and implement COI & PE Service Standards to process mandatory declarations in accordance with newly implemented centralized process.		
			• HR will create a tracking and follow-up system for collecting the COI declarations submitted for all employees identified in a "high risk" position and for all other declarations that require action. HR will provide management with listings of individuals in high risk positions that have not provided COIs for appropriate follow up. Collectively, HR and management will ensure all COIs are submitted every 2 years. The monitoring of other areas (i.e. non high risk) will be done by random sampling.		
			• (* See exception note at Recommendation 1d above)		
1	f)	Ensuring the HR function works with regional management to better understand their labour relation needs to best prioritize HR activities and resources; and	• LR will be added as a standing item on regional and NCR management committee agendas to discuss LR horizontal issues (e.g. nature of the organization's grievances as well as harassment complaints in a regional and national scope) and analysis of trends.	September 2013	TMX Members
1	g)	Over time, establishing a TC Informal Conflict Resolution Service, as required by the 2005 Public Service Labour Relations Act, to support employees and managers and improve informal	• ICMS program approach & proposal being presented to TMX for discussion and decision. • Develop implementation plan and tools for the chosen model (awareness materials, interventions & communication strategy, etc.).	Fall 2014 and Ongoing	DGHR

	conflict resolution.	• Implement chosen ICMS model. • Review ICMS implementation to assess adequacy of chosen model.			

<table>
<tr><td colspan="6" align="center">Recommendation 2</td></tr>
<tr><td colspan="6">ADM S&S (who oversees S&S programs) should improve functional guidance for regional S&S staff by:</td></tr>
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<td>2</td>
<td>a)</td>
<td>Working with the Human Resources Directorate and Regional Directors General to ensure there are clear performance standards (linked to inspection plans and inspection standards) for regional Safety and Security inspectors and managers</td>
<td>• Develop common performance measures for inspectors and supervisors across modes to clearly address what the work will be, how it will be done and how this will be recorded in applicable EPMs.*</td>
<td>January 2014</td>
<td>All S&S Directors General</td>
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<tr>
<td>2</td>
<td>b)</td>
<td>Ensuring that the Quality Assurance systems being developed for Safety and Security programs will specifically include random sampling of staff including inspectors and managers adherence to documented program standards and procedures.</td>
<td>• The Quality Assurance section of the Safety and Security Oversight Guidance Document will include requirements for random sampling of staff's adherence to program standards and procedures. Guidelines will include common multi-modal sampling requirements (sampling rate, follow-up provisions, etc) as well as specific modal lists of standards, documents and databases to be sampled.*</td>
<td>January 2014</td>
<td>All S&S Directors General</td>
</tr>
<tr><td colspan="6" align="center">Recommendation 3</td></tr>
<tr><td colspan="6">Regional Director Generals (who oversee regional S&S inspection regimes), with support from the ADM, Corporate Services, and the ADM, S&S, should:</td></tr>
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| 3 | a) | Ensure that all S&S managers are trained to discharge their people management responsibilities; and | • Revise Delegation of HR Authorities to clearly define people management responsibilities for management at all levels.

• Determine people management knowledge pre-requisites to be granted a delegation of HR Authority.

• Use EPM and ILP process to assess and determine individual manager learning needs to exercise delegation and any additional training required to address specific challenges in this area.

• Monitor through CRBs and Quality Assurance process including data from the HR Management Information system. | Winter 2014 | TMX members |
| 3 | b) | Ensure all S&S managers are themselves evaluated on their effectiveness at dealing with poor performance and inappropriate behaviour (and recognizing good performance). | **Performance Management**

• Use managers EPM and CRB process to evaluate whether managers are assessing employees as part of discharging their management responsibilities.*

• Use the Quality Assurance monitoring process and sample reviews to identify where managers' are/are not recognizing good performance and dealing with poor performance and inappropriate behaviour.* | 2014/2015 | TMX members |

*The new TBS directive on Employee Performance Management may have an impact on this action item.