Employment and Social Development Canada | Emploi et Développement social Canada

Canada

Audit of Leave Management

Final Report

March 2026

Internal Audit Services

Audit of Leave Management

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PDF
Cat. No. Em4-60/2026E-PDF
ISBN 978-0-662-36975-2

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1. Background

1.1 Context

Over the two-year period in scope, 1,499 employees transferred from other departments to Employment and Social Development Canada (ESDC). The transfer-in process is complex and requires coordination among delegated managers, human resource teams from both departments and the Pay Centre to ensure accurate pay and proper records management. During this process, access to the Department's myEMS (PeopleSoft) is delayed, requiring leave requests and approvals to be submitted manually via myESDC HR. While most employees' PeopleSoft leave-balances are transferred within 6 months, the transfer-in process may take 18 months or longer to complete for some employees, including the ability to record and approve leave in PeopleSoft and the accurate accrual of leave balances.

1.2 Audit Objective

The objective of this audit was to provide assurance to senior management on whether adequate controls are in place and are effective for managing leave.

1.3 Scope

The scope of this audit focused on the leave control framework for employees who have transferred in from other departments in place at the time of the audit in fiscal year 2024-25 and extended to include data from 2023-24 and 2024-25. The scope excluded leave taken by all other ESDC employees.

1.4 Methodology

The audit was conducted using a number of methodologies including:

- Documentation review and analysis;
- Data analysis; and,
- Interviews with management and staff from Human Resources Services Branch (HRSB), and other stakeholders

2. Audit Findings

2.1 Lack of Overall Communication of Detailed Guidance

Managers do not receive any notification or guidance on their responsibilities and process expectations for managing leave for their employees while awaiting transfer-in. The managers monitor, document and submit leave requests based on their experience and in some cases, with support of their group's business management services team. Without clear and timely guidance, managers are often unaware of the steps necessary to maintain compliance with departmental policies and best practices.

REDACTED

Recommendation

1. HRSB should provide timely and comprehensive communication to managers and employees upon their transfer into ESDC, outlining their responsibilities and required procedures for recording and managing leave during the transfer-in period.

Management Response

Agree.

2.2 Monitoring and Administrative Management

REDACTED

Recommendation

2. REDACTED

Management Response

REDACTED

3. Conclusion

The audit concluded that the Department has established processes to manage leave for employees transferring into ESDC, including mechanisms for reconciling and updating balances in PeopleSoft. While these core processes exist, the audit identified opportunities to strengthen the leave management framework to improve accuracy, reduce financial and integrity risk, and improve efficiency.

4. Statement of Conformance

This internal audit engagement was conducted in conformance with the Institute of Internal Auditors' Global Internal Audit Standards and the Treasury Board Secretariat's Policy and Directive on Internal Audit and is supported by the results of our Quality Assurance and Improvement Program.

Appendix A: Audit Criteria Assessment

Audit Criteria	Rating
It is expected that HRSB has established guidelines to assist employees and managers to manually record leave during the employee transfer-in transition period, and employees and managers are aware of and follow this guidance.	Controlled, however should be strengthened: medium-risk exposure
It is expected that leave (for transferred-in employees) is monitored by managers to enable informed decisions on budgeting and staffing needs.	Controlled, however should be strengthened: medium-risk exposure