

PUBLIC SERVICE COMMISSION

AUDIT
REPORTS

2012



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the Public Service Commission of Canada.*

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1

Introduction



1 Introduction

Oversight and audit

- 1.1 The *Public Service Employment Act* (PSEA) gives the Public Service Commission (PSC) exclusive authority to make appointments, based on merit, to and within the public service. It allows the PSC to delegate its appointment-related authorities to the deputy heads of 83 organizations subject to the PSEA across the federal public service. As a result, both deputy heads and the PSC are accountable for the overall success of the staffing system.
- 1.2 To support this accountability, the PSC has established a framework for the oversight of appointments. The results of oversight activities such as organizational monitoring, audits and studies, as well as investigations, offer important information regarding the integrity of the staffing system across the federal public service.
- 1.3 The PSC conducts audits to review the appointment activities of organizations. PSC organizational audits have two related objectives: to determine whether the organization has an appropriate framework, systems and practices in place to manage its appointment activities; and to determine whether appointments and appointment processes in the organization comply with the PSEA, the *Public Service Employment Regulations* (PSER), the PSC Appointment Framework and related organizational appointment policies.
- 1.4 The results of these audits provide deputy heads, Parliament and the PSC with information about how merit and the guiding values of the PSEA are respected in appointments made across the federal public service. At the same time, audit results contribute to deputy heads' understanding of the staffing risks, controls and governance within their own organizations.
- 1.5 The PSC also monitors the implementation of previous audit recommendations and conducts follow-up audits, as needed. Both Infrastructure Canada and Health Canada were subject to follow-up audits this year.
- 1.6 The PSC is now half-way through the completion of its audit cycle, which commenced in 2009 and will be completed in 2015; this will meet the objective of auditing every organization during this cycle. This will also provide the PSC with information on staffing trends and issues, while providing key baseline data for the analysis of government-wide questions that contribute to organizational learning and training. A detailed list of the audits planned for 2013 and 2014 is provided in Appendix 5 of the PSC's 2011-2012 Annual Report.
- 1.7 Audits provide important feedback to deputy heads on the functioning of their staffing systems. To promote better communications with organizations and to enable them to prepare for an audit, the PSC has made its audit criteria and program available to all organizations through the government Web site GCPEDIA.
- 1.8 The PSC is also committed to working with organizations to determine whether it can establish reliance on their internal reviews or audits. This practice helps leverage audit efficiencies, promotes better collaboration between organizations and the PSC and supports the ownership of organizations over their own appointment framework. This internal review can also provide deputy heads with more timely information and an improved understanding of staffing practices

and risks. Prior to establishing audit reliance on the information produced by an organization, the PSC completes a robust assessment of the results to ensure that the work completed by the organization meets the PSC audit standards and includes sufficient and appropriate evidence.

- 1.9 As part of the PSC's commitment to strengthen its oversight role under the PSEA, it has established an audit quality management framework. PSC audit reports conform to this framework so as to adhere to professional standards.
- 1.10 The audits reported in 2012 include a variety of large, medium, small and micro-sized organizations. The audit scope, as well as the number of appointment activities chosen, is selected for each audit to reflect the PSC's organizational risk assessment, as well as the size of the organization. Furthermore, the audit period, which may range from less than a year to two or more years, is influenced by the organizational context; this includes, for example, the results of a recent internal audit, changes to senior management or the transformation of the organization's human resources (HR) delivery model.
- 1.11 Audits of the following 12 organizations were completed in 2012:
- Copyright Board Canada;
 - International Joint Commission;
 - Hazardous Materials Information Review Commission Canada;
 - Canada Industrial Relations Board;
 - Transportation Safety Board of Canada;
 - Office of the Information Commissioner of Canada;
 - Canadian Radio-television and Telecommunications Commission;
 - Public Prosecution Service of Canada;
 - Canadian International Development Agency;
 - Justice Canada;
 - Passport Canada; and
 - Public Works and Government Services Canada.

Audit observations

- 1.12 The nature and size of the organizations audited in 2012 varied considerably. Each of the organizations audited had staffing practices adapted to its unique requirements and was facing different staffing challenges and risks.
- 1.13 The PSC expects deputy heads to develop and implement an appointment framework adapted to the staffing needs of their own organization, while also respecting the requirements of the PSC Appointment Framework. An organization's appointment framework defines the practices, controls and governance implemented by that organization and includes five related areas: organizational sub-delegation; staffing strategies; appointment policies; capacity and support for appointment-related responsibilities; and monitoring of staffing activities.



- 1.14 This year's audits have shown that, while most key elements of the staffing framework are in place, a number of observations and issues that were found in PSC audit reports over the last several years continue to be identified. The following section provides a summary of the audit observations in relation to each of the components of the appointment framework. In addition, a summary of merit-related observations is included.

Organizational sub-delegation of authorities

- 1.15 The controls surrounding sub-delegation are important, given that sub-delegated managers must be adequately trained to fulfill their accountability for appointments that are made within the federal public service. At the same time, assurance is required to ensure that letters of offer are signed by persons to whom that authority has been sub-delegated. Most organizations audited had established a sub-delegation instrument that was consistent with PSC requirements and identified the requirements that sub-delegated managers had to meet. Furthermore, the instrument was often communicated and made accessible to sub-delegated managers and employees, as well as bargaining agents. However, several audits identified the need for organizations to strengthen the monitoring surrounding the sub-delegation of appointment authorities to ensure that conditions related to sub-delegation are met.

Staffing strategies

- 1.16 Proper planning through staffing strategies is essential, as it can improve the transparency of staffing practices for employees and increase the efficiency of staffing. Audit observations indicate that many organizations continue to make progress in identifying staffing strategies that support their staffing priorities. The majority of organizations audited in 2012 were monitoring these strategies and analysing variances between planned and actual staffing; this was also used to adapt staffing strategies, as required.

Appointment policies

- 1.17 To respect the guiding values of fairness, access, transparency and representativeness in appointment processes, it is important for organizational appointment policies to reflect the requirements of the PSC Appointment Framework. While the audits found that the policies were largely in place, communicated and made accessible to sub-delegated managers, employees and stakeholders, the audits also found some areas of non-compliance. The PSC *Appointment Policy* was amended in March 2007 to include the value of representativeness. However, of the 12 organizational audits completed in 2012, some still had not included the value of representativeness in their criteria for non-advertised appointment processes. Consequently, neither the organizational criteria for non-advertised processes nor the rationales prepared for non-advertised appointments fully respected the PSC Appointment Framework.

Capacity and support for appointment-related responsibilities

- 1.18 While HR advisors are responsible for providing advice and guidance to sub-delegated managers, it is essential that the sub-delegated managers themselves be informed of their roles, responsibilities and accountabilities and that they have the support needed to carry out their appointment-related responsibilities. In almost all of the organizations audited, sub-delegated managers had access to training, tools, policies and guides, as well as HR advisors, to carry

out their appointment-related authorities. The audits of a few of the organizations, however, showed instances where the HR advisory role was not being effectively carried out.

Monitoring of staffing activities

- 1.19 The PSC expects deputy heads to implement monitoring practices in three areas: the variance between planned and actual staffing strategies; the monitoring of PSC-identified risk areas; and the reviewing of appointments made within their organization to ensure respect of the core and guiding values. Without proper monitoring to ensure compliance with legislative and policy requirements, it is difficult for the organization to identify risk areas and take effective corrective measures in a timely manner. Further, having an effective monitoring regime allows for the continuous improvement of staffing performance.
- 1.20 While many organizations were monitoring appointment risk areas as required by the PSC appointment policies, few had completed a review of appointments to ensure that they were based on merit and that this information was, in turn, used for the purposes of taking any necessary action. Overall, this year's audits found that, although some control mechanisms were in place, their implementation and application were inconsistent. In particular, some organizations undertook monitoring exercises but did not report the results or take corrective measures based on the findings.

Additional observations – Merit

- 1.21 As part of each audit, a sample (or in some cases, a census) of organizational appointment processes or transactions is examined to determine whether the organization's appointment framework is appropriate and working as intended; this sample is also used to establish and test the level of compliance regarding merit and the guiding values for appointments and appointment processes.
- 1.22 The core value of merit must be the basis of appointments to and within the public service. For the appointments examined in the course of the organizational audits completed in 2012, merit was generally respected; furthermore, there were very few appointments for which merit was not met. However, the number of appointments for which merit could not be demonstrated remains important. In all but four of the organizations audited, the rate of merit not being demonstrated was greater than or equal to 40%. In such instances, the organization was unable to provide the information necessary to demonstrate that the person appointed respected merit; as a result, the PSC cannot determine whether merit was met or not.
- 1.23 As part of its review of appointments this year, the PSC has focused on analysing instances where merit has not been demonstrated, to better understand the issues and support organizational learning (see **table 1** for details).



Table 1: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total (of 146 appointments where merit was not demonstrated)	11	81	62	56

Source: Audit and Data Services Branch, Public Service Commission

Note: In some cases, more than one reason applies to an appointment.

- 1.24 In a number of appointments examined this year where merit could not be demonstrated, it was found that the assessment tools did not allow for the evaluation of all of the merit criteria. As an example, instances were found where the assessment tool did not provide for the assessment of an essential qualification (e.g. knowledge) identified in the statement of merit criteria.
- 1.25 In other instances, the organizations were unable to provide, upon request from the PSC, sufficient and appropriate documentation to support the appointment. For example, key pieces of documentation, like the assessment results of the person appointed, were not available. Additional issues also included the incorrect application of the assessment tool by the sub-delegated manager.

Additional observations – Priority entitlements

- 1.26 In all of the 2012 audits, particular attention has been paid to the consideration of priority entitlements, and a number of inconsistencies in the application of the priority entitlements have been noted. Given the ongoing impact of the implementation of Budget 2012 on various organizations, rigorous use of the Priority Administration system is essential for ensuring that priority persons are considered fairly and appointed to positions for which they are qualified.
- 1.27 Some of the current audits have shown an increased risk of priority persons not being adequately considered in appointments made to or within the public service; this has raised concerns about priority entitlements. Issues found in the audits include sub-delegated managers using a statement of merit criteria for priority persons that was more stringent than the one used to make the actual appointment, or where there was no evidence of consideration of priority persons who had been referred to an organization.

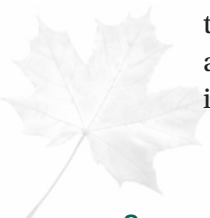


Focus on continuous improvement

- 1.28 Where appropriate, recommendations have been included in the audits that will help organizations address these issues through actions such as improving training to sub-delegated managers or improving the HR advisory role.
- 1.29 To promote improvement in the effectiveness of controls surrounding the sub-delegation of appointment authorities, recommendations have been made to organizations, as applicable. Further, the PSC has recommended that improvements be made to the monitoring frameworks in all but one of the organizations audited this year. A robust monitoring framework can help ensure that appointment processes and related decisions are fully documented and compliant with legislative, regulatory and policy requirements. For its part, the PSC is committed to developing guidance and providing assistance to organizations to ensure that appropriate controls are implemented for the review of appointments, while taking into consideration the size of the organization. The PSC will also be undertaking more work on this in the future so as to adapt its audit approach and reporting strategy for small and micro-sized organizations.
- 1.30 With regard to merit, the PSC is committed to developing guides and tools, as well as providing training for HR advisors and sub-delegated managers. This will help ensure that assessments are comprehensive for all of the merit criteria used in making the appointment decision, are correctly and fairly implemented and are properly documented to demonstrate that merit has been respected.
- 1.31 The PSC's audits have also included a recommendation to those deputy heads for whom concerns regarding the respect of priority entitlements were identified. Furthermore, the PSC will be actively monitoring the priority system to ensure that these legal entitlements are respected and priority persons appointed to vacant positions, when found qualified. Finally, the PSC has already added an indicator, based on central data, to the 2011-2012 Staffing Management Accountability Framework. This is the first step in a larger monitoring effort that will measure how responsive and respectful organizations are in fulfilling their legal responsibilities, as part of the PSC's expectations for a well-managed, values-based appointment system.
- 1.32 Based on the systematic review of issues identified, the PSC will support and work with organizations to identify measures that can be taken to improve staffing performance. Following a review of audit findings and recommendations, the PSC plans to provide an overview of issues to organizations, with a focus on learning and continuous improvement.
- 1.33 Noteworthy practices in organizational appointment frameworks have also been identified in this year's audits. Further information on these practices can be found in Chapter 5 of the PSC's 2011-2012 Annual Report.

What happens after an audit

- 1.34 The PSC will refer to deputy heads those internal appointment files in which issues have been found, to ensure that appropriate action is taken, as required. For external appointments, or if there are indicators of fraud or political influence in either internal or external processes, the appointments will be referred to the Investigations Branch of the PSC to determine whether an investigation is warranted. The PSC will monitor these files to ensure that appropriate action is taken.



- 1.35 Based on the audit findings, recommendations are made to identify areas for improvement. Many organizations, during the conduct of the audits, implement early measures to revise their staffing systems and practices, as required.
- 1.36 The deputy heads of the organizations audited have provided the PSC with an action plan in response to the audit recommendations. As a result of the organizational audits, the PSC will enter into an agreement with the Canada Industrial Relations Board and the Canadian Radio-television and Telecommunications Commission to provide advice and support in addressing the issues raised by the audit. Consequently, the PSC has decided not to amend the existing delegation agreements with the deputy heads at this time. For these organizations, as well as the remaining (10 of 12) organizations, the PSC will monitor, through its regular monitoring activities, actions taken in follow-up to the audit recommendations, as applicable. A list of all organizations operating with additional terms and conditions to delegation in 2011-2012 is provided in Appendix 4 of the PSC's 2011-2012 Annual Report.



2

Audit of the Copyright Board Canada



2 Audit of the Copyright Board Canada

- 2.1 This audit covers the Copyright Board Canada (CB)'s appointment activities for the period between April 1, 2009, and September 30, 2011. The objectives of the audit were to determine whether the CB had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 2.2 The CB is an independent administrative agency whose mandate is established by the *Copyright Act*. It is an economic regulator with the authority to establish, either on a mandatory basis or at the request of an interested party, royalties to be paid for the use of copyrighted works when administration of the copyright is entrusted to a collective-administration society. In addition, the CB monitors agreements between users and licensing bodies and issues licenses when the copyright owner cannot be located.
- 2.3 During the period covered by our audit, the CB did not have its own human resources (HR) unit. The organization had a memorandum of understanding (MOU) with the PSC's Staffing and Assessment Services Branch for the provision of staffing services. Although the CB relied on a service provider for staffing services, the deputy head of the CB was ultimately accountable for making appointments to and within the organization.
- 2.4 The organization carried out 10 appointments between April 1, 2009, and September 30, 2011. As part of our audit, we conducted interviews, analyzed relevant documentation and audited all 10 of the CB's appointments.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

The sub-delegation framework met the PSC's expectations

- 2.5 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 2.6 During the period covered by the audit, the deputy head of the CB formally accepted the delegation of appointment authorities by the PSC and had full delegated authority through the signing of the Appointment Delegation and Accountability Instrument (ADAI).
- 2.7 The deputy head of the CB established an instrument to sub-delegate appointment authorities. In order to become sub-delegated, a manager had to complete the mandatory training, so as to be knowledgeable of the PSC Appointment Framework when managing appointment processes; receive a staffing sub-delegation letter signed by the deputy head; and accept the conditions of sub-delegation in writing.
- 2.8 We found that the only sub-delegated manager at the CB received training, but it was not specific to the PSC Appointment Framework. We have been informed that the manager has subsequently taken such a course.

Appointment policies

Mandatory appointment policies and criteria were in place, but shortcomings were identified

- 2.9 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 2.10 We found that the CB's policy on area of selection did not comply with PSC requirements in two areas: no reference to a national area of selection for advertised external appointment processes; and limited access within the CB to recourse for non-advertised internal appointment processes. Given the size of the CB, the required recourse opportunities were not provided in some cases. **Refer to recommendation 1 at the end of this report.**
- 2.11 The CB established organizational criteria on the use of non-advertised appointment processes. However, it did not require a written rationale in cases where this was necessary. In addition, the requirement to document that appointment values were taken into consideration was not included in the CB's template for the written rationale for the choice of a non-advertised process. Thus, there was a risk of the values not all being taken into consideration when the appointment



decision was made. Indeed, we noted that, in 67% (4 out of 6) of appointments from non-advertised appointment processes that we audited, the rationale for the choice of a non-advertised process did not address the guiding value of representativeness. Furthermore, some of the CB's appointment framework documents describing the roles and responsibilities of sub-delegated staffing authorities did not mention this guiding value. **Refer to recommendation 2 at the end of this report.**

- 2.12 The CB also established appointment policies on corrective action and revocation, informal discussions and notifications for internal appointment processes. These documents complied with the PSC Appointment Framework. However, their approval was not documented consistently, contrary to CB practice. Having this formal approval would support the deputy head of the CB in validating that the organization was complying with the requirements of the ADAI to establish a management framework based on the Staffing Management Accountability Framework provided by the PSC. **Refer to recommendation 1 at the end of this report.**

Planning for staffing

Staffing strategies were followed

- 2.13 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 2.14 We found that the staffing strategies supported organizational staffing priorities. They were communicated, monitored and amended, as required.

Capacity to deliver

Roles, responsibilities and accountabilities were clearly defined, but were not always carried out adequately

- 2.15 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 2.16 We found that the CB defined, documented and communicated the appointment-related roles, responsibilities and accountabilities of both the sub-delegated manager and HR specialists. We also found that by accepting sub-delegated authorities, the only sub-delegated manager committed to being held accountable for staffing decisions. He had access, through the CB's service provider, to HR specialists whose expertise in the Appointment Framework was validated by the PSC.
- 2.17 The MOU with the PSC indicated that the services provided to the CB would comply with the appointment values. However, despite the requirement for the participation of HR specialists in the appointment process, we found that this support was not always effective given that our compliance results showed issues with the majority of the appointments audited. For example, we noted that merit had not been demonstrated in 40% (4 out of 10) of audited appointments,

and that priority persons had not been taken into consideration in 67% (4 out of 6) of cases where this was a requirement. These are areas where an effective participation of an HR specialist can make a substantive positive impact. **Refer to recommendation 2 at the end of this report.**

Monitoring

Monitoring of appointment processes was inadequate

- 2.18 Organizational monitoring is an ongoing process that allows deputy heads to assess the management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 2.19 We found that, during the audited period, the CB conducted the mandatory monitoring outlined in PSC policies.
- 2.20 We noted that the CB relied on the practices of its service provider, which included a staffing checklist with requirements that were consistent with those of the PSC. The checklist emphasized the CB's obligation under the ADAI of sufficiently documenting appointments and related decisions. However, we found that this practice was not effective, as the CB and its service provider were not able to provide important documentation in 80% (8 out of 10) of the appointments audited. These documents are intended to support key decision points and activities while demonstrating that the core and guiding values required in the appointment process are respected. Documents missing from the CB's appointment files included proof of education, assessment documents and priority clearance requests.
- 2.21 The CB did not systematically monitor, at the transactional level, compliance of staffing decisions with the PSC Appointment Framework, even though the monitoring framework adopted by the CB in 2007 provided for an annual review and assessment of appointments. **Refer to recommendation 2 at the end of this report.**

Observations on compliance

Merit was met in 60% of audited appointments

- 2.22 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.



2.23 We found that, in 60% (6 out of 10) of the audited appointments, the CB was able to demonstrate that the person who was appointed met the merit criteria established by the deputy head. In the other four cases, the assessment tools did not demonstrate that the person appointed met the merit criteria for the position; the CB was unable to provide assessment documents for two of the appointees. In another case, some essential qualifications had not been assessed separately, as required under the PSC Appointment Framework. In the last case, the assessment documents provided did not demonstrate that the person appointed met all of the merit criteria for the position, and the CB could not provide proof of education. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated. **Refer to recommendation 2 at the end of this report.**

Persons with priority entitlements did not always receive proper consideration

2.24 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.

2.25 We found that, in 17% (1 out of 6) of the appointments that required it, the priority clearance number was not obtained prior to, or on, the date the letter of offer was issued. We also found that, in 50% (3 out of 6) of these appointments, the tenure, linguistic profile or conditions of employment in the priority requests were not the same as those used to make the appointment decision. This could have resulted in denial of access to persons with a priority entitlement. **Refer to recommendation 3 at the end of this report.**

Recommendations

1. The deputy head of the Copyright Board Canada should review all of the appointment policies and ensure that they are duly approved. The policy on area of selection should notably be revised to establish a reasonable area of recourse for non-advertised internal appointment processes and a national area of selection for external staffing processes, where this is a requirement.
2. The deputy head of the Copyright Board Canada should establish and implement, in co-operation with the service provider, an effective control mechanism for each appointment, as provided by its own monitoring framework.
3. The deputy head of the Copyright Board Canada should ensure, in co-operation with the service provider, that human resources specialists complete priority clearance requests, when needed, and ensure that the requests contain accurate and complete information.



Conclusion

- 2.26 The first objective of the audit was to determine whether the CB had an appropriate framework, practices and systems in place to manage its appointment activities. We found that the CB had established the PSC's mandatory policies and strategies that support staffing priorities. Roles, responsibilities and accountabilities of those in the appointment process were clearly defined. However, we noted some shortcomings in the CB's policy on area of selection, as well as ineffective monitoring.
- 2.27 The second objective was to determine whether appointments and appointment processes complied with the PSEA, the PSER, the PSC Appointment Framework and related organizational policies. We found that merit was met in 60% (6 out of 10) of audited appointments. However, the tools used to assess the candidates and the level of documentation in 40% (4 out of 10) of appointments we reviewed did not demonstrate that the appointee met the merit criteria. Finally, in 80% (8 out of 10) of audited appointments, the appointment values were not all appropriately considered.

Action taken by the Public Service Commission

The PSC will monitor the CB's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of the CB.

Overall response from the Copyright Board Canada

Further to the PSC's recommendations, the CB has taken a number of measures to improve its practices, including a review of staffing policies and the development and implementation of a staffing monitoring framework. The CB is committed to implementing the audit recommendations.

The CB's Secretary General will be responsible for implementing the recommendations, and will also be responsible for monitoring progress on the implementation of this plan. Reports will be submitted to the deputy head and forwarded every year to the PSC through the Departmental Staffing Accountability Report.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	6 (60%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	4 (40%)
Total appointments audited		10 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	2	1	2	1

Source: Audit and Data Services Branch, Public Service Commission

*In some cases, more than one reason applies to an appointment.



3

Audit of the
International Joint
Commission



3 Audit of the International Joint Commission

- 3.1 This audit covers the International Joint Commission (IJC)'s appointment activities for the period between April 1, 2010, and November 30, 2011. The objectives of the audit were to determine whether the Canadian Section of the IJC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 3.2 The IJC is an independent, binational organization established by the *Boundary Waters Treaty* of 1909. It provides the mechanisms to help prevent and resolve disputes primarily about water quantity and quality along the boundary between Canada and the United States. As of March 2012, the organization had 28 Canadian employees.
- 3.3 During the period covered by our audit, the Canadian Section of the IJC did not have its own human resources (HR) unit. The organization had a memorandum of understanding (MOU) with Public Works and Government Services Canada's Shared Human Resources Services (PWGSC-SHRS) for the provision of staffing services from April 1, 2010, to March 31, 2011, and an agreement with a private consultant from June 20, 2011 onwards. Between contracts, services were provided by PWGSC-SHRS. Although the IJC relied on a service provider for staffing services, the Chair of the Canadian Section was ultimately accountable for making appointments to and within the organization. An indeterminate HR specialist was hired in April 2012.
- 3.4 During the period covered by our audit, the IJC carried out seven appointments. As part of our audit, we conducted interviews, analyzed relevant documentation and audited all seven appointments.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place, but some controls required improvement

- 3.5 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 3.6 We found that the Chair of the IJC signed an Appointment Delegation and Accountability Instrument (ADAI) with the PSC and established a sub-delegation instrument that authorized sub-delegated officials to make appointments on the Chair's behalf. We also found that the sub-delegation instrument was communicated across the organization, but that control mechanisms related to sub-delegation were not always effective.
- 3.7 The Chair established conditions that a sub-delegated official had to meet before exercising sub-delegated appointment authorities, including a training course for new managers containing an HR module. No Appointment Framework-specific course was mandated in order to obtain sub-delegation. During the course of this audit, the Chair implemented a new requirement that the sub-delegated officials complete a specific course on the Appointment Framework before initiating any new staffing action.
- 3.8 We also found that the IJC's Delegation of Human Resources Signing Authorities instrument was not compliant with PSC requirements throughout most of the period covered by the audit. For example, the Chair had not retained the authority to approve exemptions or extend deadlines for meeting language requirements for persons who had an agreement to become bilingual. This error was corrected in October 2011, when the instrument was amended.

Appointment policies

Mandatory appointment policies and criteria were established, but were not compliant with the Appointment Framework

- 3.9 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 3.10 We found that the IJC established the mandatory appointment policies and criteria for the use of non-advertised appointment processes. We noted, however, that its *Area of Selection Policy* and *Non-Advertised Appointment Process Policy* required revision in order to be compliant with the Appointment Framework.



- 3.11 We found that the IJC *Area of Selection Policy* required updates to ensure that it was comprehensive. The IJC updated the policy during the period of our audit; however, some further changes are required to align the policy with the *PSC Area of Selection Policy* to ensure that the guiding value of access is considered. **Refer to recommendation 1 at the end of this report.**
- 3.12 The IJC *Non-Advertised Appointment Process Policy* did not require a written rationale to demonstrate how a non-advertised process meets the organization's established criteria. The policy was revised in April 2012 and is now aligned with the Appointment Framework.
- 3.13 We found that the IJC organizational policies were communicated and made accessible to all sub-delegated officials, employees and bargaining agents through the organization's intranet. However, we found that employees and their representatives were not consulted regarding the revision of the mandatory policies in the fall of 2011. **Refer to recommendation 1 at the end of this report.**

Planning for staffing

Staffing strategies supported planned staffing priorities

- 3.14 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 3.15 We found that the IJC had an integrated business and HR plan covering the period of the audit. The approved plan, which included staffing strategies to support the organization's staffing priorities, was posted on the organization's intranet.
- 3.16 We found that the IJC monitored the results of its staffing strategies and made adjustments, as required. Analysis of the variance between planned and actual staffing activities was conducted and reported to the organization's senior management.

Capacity to deliver

Roles, responsibilities and accountabilities were defined, but were generally not carried out adequately

- 3.17 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 3.18 The IJC defined, documented and communicated the appointment-related roles, responsibilities and accountabilities of both sub-delegated officials and HR specialists. We found that the sub-delegated officials had access, through their service providers, to HR specialists whose expertise in the Appointment Framework had been validated by the PSC.
- 3.19 The MOU with PWGSC-SHRS indicated that the services provided to the IJC would comply with the policies of the Government of Canada, and that PWGSC-SHRS was accountable for providing quality advisory services. By accepting sub-delegated authorities, sub-delegated officials committed to being held accountable for their staffing decisions.

- 3.20 However, despite this requirement for HR to assist sub-delegated officials in the appointment process, we found that the support provided by HR specialists was not always effective. Our compliance results show issues with most of the appointments audited. For example, merit was not demonstrated in 71% (5 out of 7) of the appointments audited, and persons with priority entitlements were not considered adequately in 86% (6 out of 7) of the appointments audited, as detailed in the compliance section below. Despite relying on service providers for staffing services, the Chair is ultimately accountable for making appointments to and within the organization.
- 3.21 We also found a case where the HR specialist from PWGSC-SHRS provided appropriate advice that was not followed by the hiring manager, even after escalation of the concern to senior managers both within PWGSC-SHRS and the IJC. This resulted in an appointment that did not respect the guiding values. **Refer to recommendation 2 at the end of this report.**

Monitoring

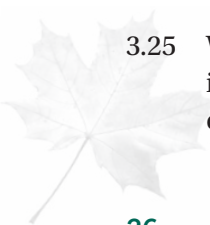
Some monitoring activities took place, but were ineffective

- 3.22 Organizational monitoring is an ongoing process that allows deputy heads to assess the management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 3.23 We found that the IJC provided reliable information on its appointment system and individual appointment files and conducted the mandatory monitoring required by the PSC policies. However, after the MOU with PWGSC-SHRS expired, the organization no longer had a monitoring framework in place to ensure that appointment and appointment-related decisions adhered to the Appointment Framework. We are concerned that, without a monitoring framework appropriate to its size and the volume of its staffing activities, the organization may be unable to independently monitor the adherence of appointment and appointment-related decisions to the Appointment Framework. **Refer to recommendation 3 at the end of this report.**

Observations on compliance

Merit was not demonstrated in most appointments audited

- 3.24 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements or organizational needs established by the deputy head.
- 3.25 We found that merit was met in 29% (2 out of 7) of appointments reviewed, but not demonstrated in the other 71% (5 out of 7) of appointments. We were unable to conclude that merit was demonstrated mainly because the assessment tool did not evaluate all of the appointment criteria.



Official language proficiency was not assessed for any of the four appointments made through advertised processes, three of which were for English essential positions, where the rating guide failed to include a separate assessment for language. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated. **Refer to recommendation 3 at the end of this report.**

Non-advertised processes did not properly consider guiding values

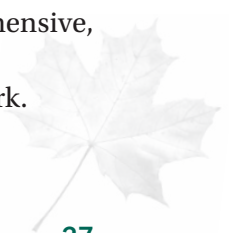
- 3.26 The process of selecting and appointing a candidate must also respect the guiding values of fairness, access, transparency and representativeness. The appointment files must demonstrate that these values were respected throughout the appointment process.
- 3.27 We found that the guiding values were not properly considered in the three non-advertised processes we reviewed. **Refer to recommendation 2 at the end of this report.**

Priority requests did not always align with the requirements of the positions

- 3.28 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.
- 3.29 In 71% (5 out of 7) of the appointment processes audited, we found that the conditions of employment in the requests for priority clearance did not match those for the positions. In another case, priority clearance was not obtained prior to, or on, the date that the letter of offer was issued. This could have resulted in persons with priority entitlements being denied access. **Refer to recommendation 4 at the end of this report.**

Recommendations

- 1.** The Chair of the International Joint Commission should revise the organizational policy on area of selection in order to ensure that it aligns with the Public Service Commission's policy and should ensure that all stakeholders are consulted in the review of appointment policies.
- 2.** The Chair of the International Joint Commission should ensure that, pursuant to the Public Service Commission's *Choice of Appointment Process Policy*, non-advertised appointments are accompanied by a written rationale indicating how the choice of a non-advertised process is justified, meets the established organizational criteria and demonstrates that all of the guiding values are considered.
- 3.** The Chair of the International Joint Commission should establish and implement an independent monitoring and control mechanism at the appointment level to ensure that supporting documentation as it pertains to appointment-related decisions is comprehensive, accurate and compliant with the *Public Service Employment Act*, the *Public Service Employment Regulations* and the Public Service Commission Appointment Framework.



4. The Chair of the International Joint Commission should ensure that human resources specialists complete a priority clearance request, when needed, that the request contains accurate and complete information and that sub-delegated managers give proper consideration to persons with priority entitlement before making an appointment.

Conclusion

- 3.30 The first objective of the audit was to determine whether the Canadian Section of the IJC had an appropriate framework, practices and systems in place to manage its appointment activities. We found that many aspects of the Appointment Framework were in place and appropriate. A sub-delegation instrument was in place, but related controls required improvement. The IJC had staffing strategies and approved a series of policies to guide sub-delegated officials and hiring managers in conducting appointment activities; however, the policies required updates and not all stakeholders were consulted in their review. We noted that the roles, responsibilities and accountabilities of sub-delegated officials and HR specialists were defined, but generally not applied adequately. We also found that some monitoring activities were in place, but that control mechanisms over the staffing activities were ineffective.
- 3.31 The second objective was to determine whether appointments and appointment processes complied with the PSEA, the PSER, the PSC Appointment Framework and related organizational appointment policies. We found that merit was met in 29% (2 out of 7) of appointments reviewed, but not demonstrated in the other 71% (5 out of 7) of appointments. We found that the appointment values were at risk in most of the appointment processes reviewed, as they were not respected in any of the three non-advertised appointments and in three out of four advertised appointments.



Action taken by the Public Service Commission

The PSC will monitor the IJC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Overall response by the International Joint Commission

The IJC is committed to improving its appointment Framework and Mechanisms to ensure it meets the guiding values of the Public Service Commission; the IJC accepts and agrees with the four recommendations presented in this audit report. Following these recommendations, the IJC has taken a number of actions to improve its practices, including the review of its staffing policies, sub-delegation instrument and monitoring framework which have been included in an action plan.

The Secretary of the IJC will be responsible to monitor the progress of this action plan. Status report will be provided to the Deputy Head twice a year and will be communicated yearly to the PSC as part of the Departmental Staffing Accountability Report.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	2 (29%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	5 (71%)
Total appointments audited		7 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	0	4	2	2

Source: Audit and Data Services Branch, Public Service Commission

*In some cases, more than one reason applies to an appointment.



4

Audit of the Hazardous Materials Information Review Commission Canada



4 Audit of the Hazardous Materials Information Review Commission Canada

- 4.1 This audit covers the Hazardous Materials Information Review Commission Canada (HMIRC)'s appointment activities for the period between April 1, 2010, and October 31, 2011. The objectives of the audit were to determine whether HMIRC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 4.2 HMIRC was created as an independent agency in 1987 by the proclamation of the *Hazardous Materials Information Review Act*. As an arm's-length administrative agency, HMIRC reports to Parliament through the minister of Health Canada (HC). HMIRC provides a single mechanism under federal, provincial and territorial legislation to protect the trade secrets of companies that supply or use hazardous materials, and to ensure that Canadian workers who handle such materials have all the information they need to do so safely.
- 4.3 In its Human Resources Strategy (2010-2013) dated November 2010, HMIRC reported that, like most small organizations, it was facing challenges in the recruitment of experienced staff with key competencies relating to information management, planning, management accountability and policy development, as well as biology.
- 4.4 In August 1998, HMIRC signed a partnership agreement with HC's Corporate Services Branch that included the provision of corporate human resources (HR) management and staffing services. In April 2010, HMIRC also signed a memorandum of understanding with Public Works and Government Services Canada's Shared Human Resources Services to provide an alternate source of staffing services when HC cannot meet HMIRC's staffing needs.
- 4.5 HMIRC carried out 15 appointments within the scope of our audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited all 15 appointments.
- 4.6 HMIRC's Council of Governors consists of 18 members, representing key stakeholders across all jurisdictions, and a President and Chief Executive Officer (CEO) who is appointed by the Governor in Council to supervise and direct the organization's day-to-day activities. In 2010-2011, HMIRC had 44 full-time equivalents working in the National Capital Region. The 2012 Federal Budget reported a reduction in planned spending for HMIRC of \$819,000 for fiscal year 2013-2014. HMIRC will cease to exist as a stand-alone agency by March 31, 2013, at the latest and will be integrated with Health Canada within the Healthy Environments and Consumer Safety Branch.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place, but the sub-delegation process lacked effective control mechanisms

- 4.7 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 4.8 In October 2007, the PSC signed an Appointment Delegation and Accountability Instrument (ADAI) with the current President and CEO of HMIRC. The President and CEO, as deputy head of HMIRC, had full delegated appointment and appointment-related authorities during the period covered by the audit.
- 4.9 We found that, in November 2010, HMIRC established a sub-delegation instrument that authorizes sub-delegated managers to make appointments on the deputy head's behalf. This instrument is compliant with the PSC Appointment Framework and was communicated across the organization. The sub-delegation instrument outlines the terms and conditions that managers must meet prior to being sub-delegated, including the training required. The sub-delegation instrument also includes an appendix with the list of managers who were sub-delegated at the time the instrument was established. We found that, because the list of sub-delegated managers had not been updated since November 2010, it did not include all of the current managers who had been granted sub-delegation. In 7% (1 out of 15) of appointments audited, the organization was unable to provide evidence that the individual who signed the letter of offer had the required level of sub-delegation at the time the appointment was made.

Appointment policies

Mandatory appointment policies and criteria were in place, but some gaps were identified

- 4.10 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 4.11 In February 2011, HMIRC put in place its own mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. These policies have been communicated and made accessible to all employees through the organization's shared drive. However, we found that bargaining agents were not consulted in the development of the policies, as required by the ADAI.



- 4.12 We found that HMIRC's area of selection policy is not consistent with the requirements of the PSC Appointment Framework. We expected HMIRC's policy to provide for a reasonable pool of potential candidates. When established for an internal non-advertised appointment process, the area of selection should provide meaningful access to recourse, as required by the PSC *Area of Selection Policy*. We found that HMIRC's area of selection for internal non-advertised appointment processes does not provide reasonable access for recourse as it is limited to only HMIRC employees. This was the case in four out of seven internal non-advertised appointments audited. This practice jeopardizes the guiding values of access and transparency. **Refer to recommendation 1 at the end of this report.**

Planning for staffing

Staffing strategies supported planned staffing priorities

- 4.13 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 4.14 During the period covered by the audit, we found that HMIRC identified two staffing priorities in its *Human Resources Plan 2010-2011* relating to recruitment, retention and employment equity. To support these priorities, HMIRC established staffing strategies that describe the positions to be staffed and how and when the staffing actions will be completed. We found that measurable expected results were also identified for each of the staffing strategies. The staffing priorities and strategies were made available to employees on the organization's shared drive.
- 4.15 HMIRC conducted a variance analysis to monitor the results of its staffing strategies for fiscal year 2010-2011. The variance analysis reported on the results against the planned and actual staffing strategies. The results of the 2010-2011 variance analysis were approved by the deputy head and were reported informally to senior management. Adjustments were made through the yearly renewal of the HR Plan for 2011-2012.

Capacity to deliver

Roles, responsibilities and accountabilities were defined

- 4.16 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 4.17 We found that roles, responsibilities and accountabilities are defined, documented and communicated in HMIRC's sub-delegation instrument. This document is accessible to managers on the organization's shared drive.
- 4.18 We noted that sub-delegated managers have access to their service providers' HR advisors, whose knowledge has been validated by the PSC. However, in 13% (2 out of 15) of appointments, we found evidence on file that, while the HR advisor's advice was appropriate, it was not followed by the hiring manager. For instance, in one non-advertised process, the HR advisor recommended that the manager further address the guiding values of fairness, access and transparency in the

rationale. This advice was not followed by the manager, resulting in a non-compliant appointment. While HR advisors are responsible for providing advice and guidance to sub-delegated managers, the accountability rests with the sub-delegated managers to ensure that appointments are compliant with the PSEA, the PSER, the PSC Appointment Framework and related organizational appointment policies. **Refer to recommendation 2 at the end of this report.**

Monitoring

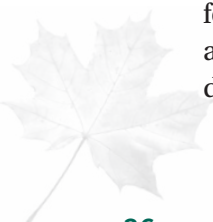
Mandatory monitoring was conducted, but there was a lack of control mechanisms to monitor compliance

- 4.19 Organizational monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 4.20 We found that HMIRC had conducted the mandatory monitoring required by the PSC policies: acting appointments over 12 months; appointments of casual workers to term or indeterminate status through non-advertised processes; appointments to the Executive group through non-advertised processes; use of the national area of selection; and use of the *Public Service Official Languages Exclusion Approval Order*, which provides for certain circumstances under which a person is excluded temporarily or permanently from meeting the official languages proficiency requirements of a bilingual position.
- 4.21 We also noted that HMIRC relied on the data generated by its service providers' HR management system. In addition, we found that the information provided on individual appointment processes was reliable.
- 4.22 We noted, however, that HMIRC did not have a staffing monitoring framework in place that included effective control mechanisms to monitor the compliance of appointments and appointment processes and ensure the completeness of staffing files. As illustrated in the following paragraphs, we found situations where supporting documentation did not always demonstrate that merit was met or that the guiding values were respected throughout the appointment process. **Refer to recommendation 2 at the end of this report.**

Observations on compliance

Merit was not demonstrated in most of the appointments audited

- 4.23 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.



- 4.24 We found that, while merit was met in 33% (5 out of 15) of the audited appointments, it was not demonstrated in 67% (10 out of 15) of them. For example, the organization was unable to provide the assessment documentation that would demonstrate a process based on merit. In addition, in five of the non-advertised acting appointments, assessment of the merit criteria was not complete at the time of the appointment's effective date. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated.

Some rationales for non-advertised processes did not respect the established criteria or the guiding values

- 4.25 The *PSC Choice of Appointment Process Policy* requires that non-advertised appointments be accompanied by a written rationale demonstrating how the choice of process has met both the established organizational criteria and the guiding values. We audited 11 non-advertised appointments. In one of these appointments, the criteria used for the choice of a non-advertised process did not meet the established organizational criteria. In addition, we found that managers had not addressed at least one guiding value in the rationales for 4 out of 11 non-advertised appointments.

Justifications for the appointment decision were not compliant with the PSC Appointment Framework

- 4.26 We expected each appointment decision to be documented, as required by the *PSC Policy on Selection and Appointment*. In two out of four advertised appointments audited, the justification for the appointment decision (right fit) was not compliant with the PSC Appointment Framework, since one of the asset qualifications used to make the appointment decision was not in the advertised statement of merit criteria. In addition, we found no justification for the right fit in another advertised appointment.

Priority persons did not always receive proper consideration

- 4.27 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.
- 4.28 We found that, in three appointments, the essential qualifications used to obtain the priority clearance were not the same as those used to make the appointment decision. In addition, we found that, in seven appointments, the tenure, position number, group and level, linguistic profiles and/or conditions of employments used to obtain the priority clearance were not the same as those used to make the appointment decision. The PSC referred persons with priority entitlements in four appointments; for two of these appointments, HMIRC was unable to demonstrate whether the priority persons had been considered. **Refer to recommendation 3 at the end of this report.**



Recommendations

1. The President and Chief Executive Officer of the Hazardous Materials Information Review Commission Canada should revise the area of selection for internal non-advertised appointment processes to provide a reasonable pool of potential candidates and meaningful access for recourse.
2. The President and Chief Executive Officer of the Hazardous Materials Information Review Commission Canada should establish and implement, with its service providers, control mechanisms to ensure that appointment processes and related decisions are fully documented and are compliant with legislative, regulatory and policy requirements.
3. The President and Chief Executive Officer of the Hazardous Materials Information Review Commission Canada should ensure that a priority clearance request for each transaction contains accurate and complete information, including the assessment of priority persons referred by the Public Service Commission.

Conclusion

- 4.29 We found that HMIRC had some aspects of an appropriate framework, practices and systems in place to manage its appointment activities while others were not. We found that HMIRC had developed staffing strategies that support its organizational staffing priorities, and had conducted a variance analysis to monitor the results of its staffing strategies. The roles, responsibilities and accountabilities for appointment-related authorities were defined. HMIRC had a compliant sub-delegation instrument, but there was a lack of control mechanisms related to the sub-delegation process. Mandatory appointment policies and criteria were in place and accessible to employees, but gaps were identified. While HMIRC conducted the mandatory monitoring required by the PSC, it did not have effective control mechanisms to monitor the compliance of appointments and appointment processes and ensure the completeness of staffing files.
- 4.30 We found that merit was met in 33% (5 out of 15) of appointments audited. However, merit was not demonstrated in 67% (10 out of 15) of appointments audited. For example, the organization was unable to provide the assessment documentation that would demonstrate a process based on merit. In addition, in five of the non-advertised acting appointments, assessment of the merit criteria was not complete at the time of the appointment's effective date. We also found situations where appointment processes did not properly consider priority persons and rationales for the choice of a non-advertised process did not always respect the established criteria or the guiding values.



Action taken by the Public Service Commission

The PSC will monitor the HMIRC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of HMIRC.

Overall response by the Hazardous Materials Information Review Commission Canada

The Hazardous Materials Information Review Commission takes the responsibility to ensure that staffing within the public service is based on values that aim to build a competent, non-partisan and merit-based public service seriously. The HMIRC is committed to addressing the recommendations raised in this report and strengthening its HR processes in concert with Health Canada.

The first recommendation relates to the HMIRC Policy on Area of Selection to provide for a reasonable pool of potential candidates as well as provide meaningful access to recourse. The Commission agrees that under normal circumstances the policy should be reviewed to better align with the core appointment values of merit and non-partisanship as well as the guiding values of fairness, transparency, access and representativeness. On April 1, 2013, HMIRC will fall under the Health Canada Appointment Framework.

The second recommendation relates to the establishment and implementation, with its service providers, of control mechanisms to ensure that appointment processes and related decisions are fully documented and compliant with legislative, regulatory and policy requirements. HMIRC is committed to address this recommendation and will work in concert with Health Canada to improve its control mechanisms and ensure that its decisions are fully documented.

The third recommendation relates to the process of ensuring that the priority clearance request for each transaction contains accurate and complete information. HMIRC will work in concert with Health Canada to strengthen this process and to ensure that each request has the most current and complete information including the assessment of priority persons referred by the PSC.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	5 (33%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	10 (67%)
Total appointments audited		15 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	5*	0	2	3

Source: Audit and Data Services Branch, Public Service Commission

*In five non-advertised acting appointments, the assessments of the merit criteria were not completed at the time of the appointment's effective date.



5

Audit of the Canada Industrial Relations Board



5 Audit of the Canada Industrial Relations Board

- 5.1 This audit covers the Canada Industrial Relations Board (CIRB)'s appointment activities for the period of September 1, 2010, to October 31, 2011. The objectives of the audit were to determine whether CIRB had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 5.2 The CIRB is an independent, representational, quasi-judicial tribunal responsible for the interpretation and application of the *Canada Labour Code*, Part I (Industrial Relations), which establishes the framework for collective bargaining, acquisition and termination of bargaining rights, unfair labour practices and protection of the public interest in the event of work stoppages affecting essential services. The CIRB is also responsible for certain provisions of Part II (Occupational Health and Safety).
- 5.3 The organization's mandate is to contribute to, and promote, a harmonious industrial relations climate in the federally regulated private sector, through the impartial, effective and appropriate administration of the legislation governing labour and management in their representational and bargaining activities. The CIRB has jurisdiction over approximately 800 000 employees engaged in federal jurisdiction industries, which include interprovincial transportation (air, land and water), broadcasting, banking, long shoring and grain handling. The CIRB also has jurisdiction over private sector employees in Nunavut, the Yukon and the Northwest Territories.
- 5.4 The Board consists of a Chairperson (who is the deputy head), five full-time and two part-time Vice-Chairpersons and five full-time and two part-time members, all of whom are appointed through Orders in Council. As of March 31, 2011, the CIRB employed 90 public service employees. Its Headquarters is located in the National Capital Region, with four regional and two satellite offices. These offices are staffed by labour relations professionals and case management teams.
- 5.5 The CIRB carried out 17 appointments between September 1, 2010, and August 31, 2011. As part of our audit, we conducted interviews, analyzed relevant documentation and audited all 17 appointments.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place, but control mechanisms were weak

- 5.6 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 5.7 We found that the deputy head of the CIRB signed an Appointment Delegation and Accountability Instrument (ADAI) with the PSC to accept delegation of staffing authority. The deputy head established an instrument to sub-delegate this authority to specific managers. This instrument identified the requirements that managers had to meet in order to be sub-delegated. The agreement with the PSC, and the sub-delegation instrument, were posted on the CIRB intranet and were accessible to all employees and bargaining unit members.
- 5.8 The process established for granting sub-delegation required that an employee occupy a designated sub-delegated position and attend management training. This included six hours of mandatory training on human resources (HR) management, a component of which dealt with staffing. The employee also had to receive a passing mark through on-line testing. Once these requirements were met, the employee was granted sub-delegated authority to staff under the PSEA.
- 5.9 We found that the controls over the sub-delegation of staffing authorities were weak. The CIRB was unable to provide an accurate list of sub-delegated managers. We also found that the CIRB lacked a mechanism to ensure that managers occupying a sub-delegated position received the mandatory training prior to signing letters of offer. For example, from our review of appointments, we found that 1 of the 11 managers who signed a letter of offer had not completed the mandatory training at the time of signing. **Refer to recommendation 1 at the end of this report.**

Appointment policies

Mandatory appointment policies and criteria were in place

- 5.10 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 5.11 We found that the deputy head of the CIRB established the mandatory appointment policies and the criteria for the use of non-advertised appointment processes. These policies were available to all employees through the organization's intranet site.



- 5.12 We also found that the CIRB *Area of Selection Policy* and *Policy on Non-Advertised Appointment Processes* were missing the guiding value of representativeness. Further, the *Policy on Non-Advertised Appointment Processes* was missing the requirement to demonstrate how the choice of a non-advertised process met the organizational criteria. During the course of this audit, the CIRB revised these policies to correct these findings.

Planning for staffing

Staffing strategies were in place, but results were not accurately reported

- 5.13 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 5.14 We found that the deputy head of the CIRB had developed an Integrated HR and Business Plan (IHRBP) for 2007-2011. For the 2010-2011 fiscal year, the CIRB established two staffing priorities; each was supported by at least one staffing strategy of which the results were measurable. Both the IHRBP and the strategies were communicated and made available to all employees on the CIRB intranet site.
- 5.15 We found that, in 2010-2011, the CIRB performed a variance analysis of staffing strategies against staffing activities. For its first staffing priority, maintaining the stability of the organization, the CIRB identified five strategies. The organization reported that all of these strategies were completed exactly as planned; in other words, there were no variances. However, when we examined the details of the variance analysis, we found variances that were not reported. In five cases, planned staffing actions that were reported to have been satisfied through actual staffing actions were not staffed at the time of the variance analysis report. Since the actual variances were not reported, the deputy head was not provided with accurate information to determine whether the strategies were meeting the priorities, or whether they should be adjusted.
- 5.16 For the second staffing priority, increasing the representation of Aboriginal persons and members of visible minority groups, the CIRB's strategy was to increase employment equity representation. The CIRB identified a variance for which an action plan was created with an implementation date of September 2010. However, the action plan was not implemented during the scope of this audit.
- 5.17 We found that the staffing priorities and strategies for fiscal year 2010-2011 were carried over into 2011-2012. However, the decision to extend these priorities and strategies was made 10 months into the 2011-2012 fiscal year. Moreover, this decision was not communicated to employees. The delay in establishing these strategies and the lack of communication made it less likely that the CIRB would achieve its staffing priorities.
- 5.18 Staffing strategies are established and monitored to assist the deputy head in achieving the organization's priorities. The delay in establishing and communicating the strategies and the weaknesses found in the monitoring of the performance prevented the deputy head of the CIRB from receiving accurate information that would allow informed decision making. **Refer to recommendation 2 at the end of this report.**



Capacity to deliver

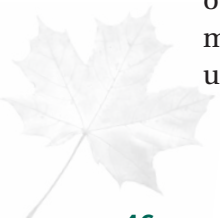
Roles, responsibilities and accountabilities were clearly defined

- 5.19 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 5.20 We found that the deputy head of the CIRB clearly defined the roles, responsibilities and accountabilities of sub-delegated managers and HR in relation to appointment and appointment-related authorities. We noted that the roles and responsibilities of HR personnel were to provide advice, interpret legislation and policies and inform managers of new information that has an effect on the exercise of their delegated authorities. We found that sub-delegated managers had access to an HR advisor whose knowledge had been validated by the PSC, and that HR was involved throughout each appointment process.
- 5.21 We also noted that accountability for ensuring that appointments were compliant with legislative, regulatory and policy requirements rested with the sub-delegated managers. These roles, responsibilities and accountabilities were detailed in the sub-delegation instrument that was communicated and made accessible to all employees. However, we noted that sub-delegated managers exercised their sub-delegated staffing authorities infrequently; many only exercised their authorities once during the scope of the audit. The CIRB recognized the challenge for the sub-delegated managers to retain their staffing knowledge, and expected the sub-delegated managers to consult with HR prior to making any appointment-related decisions. Later in the report we present weaknesses we found that may be attributable to the sub-delegated managers' infrequent use of their authorities and insufficient guidance from HR. **Refer to recommendation 3 at the end of this report.**

Monitoring

Some monitoring had been conducted

- 5.22 Organizational monitoring is an ongoing process that allows deputy heads to assess the management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 5.23 We found that the deputy head of the CIRB did monitor the five mandatory staffing activities required by PSC policies. These mandatory activities are required by the PSC as part of its oversight of delegated organizations and are in addition to the active monitoring of staffing activities established by the deputy head.
- 5.24 The CIRB stated that the appointment and appointment-related decisions were actively monitored through the oversight of HR. However, there were no records of these activities or this oversight in the appointment files reviewed. In addition, we found that the CIRB did not actively monitor ongoing staffing activities for accuracy and completeness. Therefore, the CIRB was unable to adjust and improve its practices.



- 5.25 We found that appointment files lacked documentation and contained poor assessment tools, which affected the compliance of the appointment activities with the PSEA. The CIRB used a checklist to ensure that key documentation was maintained in appointment files. We found that this checklist was used in all of the appointment files reviewed during this audit. However, the effectiveness of these checklists is in question as we still found that 65% (11 out of 17) of appointments lacked key documentation to support decision points. The missing or incomplete documentation specific to assessments did not allow the organization to demonstrate how the appointment was based on merit and respected the guiding values. **Refer to recommendation 4 at the end of this report.**

Observations on compliance

Merit was not demonstrated in most appointments audited

- 5.26 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.
- 5.27 Candidates are assessed during appointment processes through assessment tools, such as the review of résumés against mandatory criteria, structured interviews and written tests. We found that merit was not demonstrated in 82% (14 out of 17) of the appointments. **Table 1** provides a summary of our observations concerning merit for the appointments audited.
- 5.28 In half of the appointments where merit was not demonstrated, we found inconclusive assessment results due to a lack of concrete examples in narrative assessments or incomplete assessments. In one of these appointments, we found insufficient documentation to demonstrate that an assessment had been conducted prior to the appointment.
- 5.29 In the remaining appointments where merit was not demonstrated, the assessment tools were inadequate. We found that these assessment tools did not contain an explanation of how the tool was to be applied, such as rating schemes or expected answers, or they did not identify what constituted a pass mark for each of the merit criteria. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated. **Refer to recommendation 3 at the end of this report.**

Priority persons did not always receive proper consideration

- 5.30 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.



- 5.31 We found that this process was correctly followed in 79% (11 out of 14) of the appointments where a priority consideration was required. In three cases, the CIRB did not obtain this clearance before the appointment was made, as was required. In one case, a term employee was appointed on an indeterminate basis, and no clearance number was requested. In the remaining two cases, a clearance number was not requested to appoint an employee out of a development program. The CIRB has taken steps to ensure that these errors do not occur in the future.

Demonstration of the guiding values was not documented in non-advertised processes

- 5.32 Non-advertised appointments are appointments where persons in the area of selection are not informed of, nor have, the opportunity to apply to an appointment opportunity. The *PSC Choice of Appointment Process Policy* and the *CIRB Policy on Non-Advertised Appointment Processes* require a documented rationale that demonstrates how the non-advertised appointment process meets the guiding values. We found that none of the four non-advertised appointments conducted at the CIRB during the scope of this audit had the required rationale. This omission may prevent appropriate consideration of the guiding values when choosing an appointment process.

Right fit was not documented

- 5.33 The *PSC Policy on Selection and Appointment* requires the reasons for the appointment decision to be documented. In cases where the sub-delegated manager has the flexibility to select from among the qualified candidates, the reasons for the selection of an individual, commonly known as the “right fit” decision, must be documented. We found that this documentation was missing in five out of eight of the appointments where it was required.

Organizational policy requirements had not been followed

- 5.34 The *CIRB Area of Selection Policy* requires that sub-delegated managers document their reasons for selecting a specific area of selection for each appointment process. This was a requirement established by the deputy head. However, we found that this requirement was not done in 12 of the 13 advertised appointments we reviewed. As a result of this audit finding, the CIRB has subsequently removed this requirement from its policy.

Recommendations

1. The deputy head of the Canada Industrial Relations Board should establish a control mechanism to ensure that sub-delegated managers receive the mandatory training and pass the on-line test before exercising their sub-delegated authorities.
2. The deputy head of the Canada Industrial Relations Board should establish and communicate staffing strategies in a timely manner and accurately report any variance between planned and actual activities in order to make adjustments, when needed.



3. The deputy head of the Canada Industrial Relations Board should establish a process to confirm that assessment tools and documentation demonstrate how appointments meet merit and respect the guiding values.
4. The deputy head of the Canada Industrial Relations Board should establish a monitoring framework that will ensure accurate, reliable, timely and complete information about appointment activities and that corrective action is taken, when required.

Conclusion

- 5.35 The first objective of the audit was to determine whether the CIRB had an appropriate framework, systems and practices in place to manage its appointment activities. We found that the CIRB had established the elements of an appropriate framework, although almost each element required attention. The number of issues with the appointments reviewed indicates that improvements in the application of the framework are required. Although HR was involved in all aspects of appointment decisions to mitigate issues arising from infrequent use of sub-delegated authorities, there was no documented evidence of their oversight. The CIRB did not actively monitor appointments and appointment decisions.
- 5.36 The second objective was to determine whether appointments and appointment processes complied with the PSEA, the PSER, the PSC Appointment Framework and related organizational policies. We concluded that the majority of appointments and appointment processes in the CIRB did not comply with the PSEA, the PSER, the PSC Appointment Framework and related organizational policies. In 18% (3 out of 17) of the appointments audited, we found that the person appointed to the position met merit. However, merit could not be demonstrated in 82% (14 out of 17) of the appointments audited due to deficiencies in the assessment process, mostly in the assessment tools.



Action taken by the Public Service Commission

The PSC will monitor the CIRB's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report. The PSC will enter into an agreement with the CIRB to provide advice and support in addressing the issues raised by the audit. As a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of CIRB at this time.

Overall response by the Canada Industrial Relations Board

The Canada Industrial Relations Board (CIRB) accepts the findings and recommendations of the Public Service Commission (PSC) and is committed to addressing the issues raised in a timely and comprehensive manner. The CIRB remains committed to managing its appointment processes in accordance with the Public Service Employment Act (PSEA), its core values of merit and non-partisanship, and the PSEA's guiding values of fairness, transparency, accessibility and representativeness. The CIRB will ensure that it has appropriate controls and reporting mechanisms in place and that appointment processes and records demonstrate compliance with these important principles and values. The CIRB has developed an action plan to address the deficiencies identified by the PSC and has already implemented measures to improve its performance.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	3 (18%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	14 (82%)
Total appointments audited		17 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	1	7	6	0

Source: Audit and Data Services Branch, Public Service Commission



6

Audit of the Transportation Safety Board of Canada



6 Audit of the Transportation Safety Board of Canada

- 6.1 This audit covers the Transportation Safety Board of Canada (TSB)'s appointment activities for the period between August 31, 2010, and September 1, 2011. The objectives of the audit were to determine whether the TSB had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 6.2 The TSB is an independent agency whose objective is to advance transportation safety. It fulfills this mandate by conducting independent investigations into selected transportation occurrences to identify the causes and contributing factors of the occurrences as well as the underlying safety deficiencies. The TSB then makes recommendations to improve safety and reduce or eliminate risks to people, property and the environment.
- 6.3 The jurisdiction of the TSB includes all aviation, marine, rail and pipeline transportation occurrences, in or over Canada, that fall under federal jurisdiction. The TSB may also represent Canadian interests in foreign investigations of transportation accidents involving Canadian registered, licensed or manufactured aircraft, ships or railway rolling stock. In addition, the TSB carries out some of Canada's obligations related to transportation safety at the International Civil Aviation Organization and the International Maritime Organization.
- 6.4 The TSB consists of up to five board members, including a chairperson (who is the deputy head of the TSB). The TSB business plan stated that, as of March 31, 2011, it had 222 employees. Of these, 214 (96.4%) were indeterminate. The TSB operates offices in seven provinces; its headquarters is located in Gatineau, Quebec.
- 6.5 The organization carried out 33 appointments within the scope of this audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 24 appointments. This sample of 24 appointments provides an estimate of the population accurate within +/- 10%, 90% of the time, given a deviation rate of 20% or less. This single sample is sufficient given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

A sub-delegation process was in place

- 6.6 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 6.7 We found that the deputy head of the TSB signed an agreement with the PSC to accept the delegation of staffing authority. The deputy head established a sub-delegation instrument to sub-delegate this authority to specific employees on the deputy head's behalf. The instrument identified the requirements that employees had to meet in order to be sub-delegated, including mandatory training. The agreement with the PSC and the sub-delegation instrument were posted on the TSB intranet site and were accessible to all employees and bargaining unit members.
- 6.8 The TSB's sub-delegation instrument, the Staffing Sub-delegation Framework, was consistent with PSC requirements. This framework had four elements: the TSB sub-delegation of staffing authority policy; the staffing sub-delegation authority chart; the sub-delegation staffing process chart; and the staffing sub-delegation monitoring directive. Sub-delegated managers, and ultimately the deputy head, were accountable for appointments made by the TSB.
- 6.9 The TSB had mandatory training to provide sub-delegated officials with the knowledge needed to carry out their appointment-related responsibilities. A variety of training tools and communication mechanisms were also available on TSB's intranet site to provide information to sub-delegated officials on staffing policies and appointment-related decisions.

Appointment policies

Appointment policies were in place

- 6.10 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 6.11 We found that the deputy head of the TSB established the mandatory appointment policies and criteria for the use of non-advertised appointment processes. However, we noted that their *Policy on Area of Selection* and *Policy on a Non-advertised Appointment Process* were missing the guiding value of representativeness. During this audit, the mandatory policies were revised to include this value.



- 6.12 We found that stakeholders were consulted in the development and revision of the three mandatory policies. The stakeholders included sub-delegated officials, human resources (HR) advisors, bargaining agents and Executive Committee members. During the scope of the audit, the TSB's organizational policies were communicated and made accessible through the organization's intranet to all sub-delegated officials, other employees and bargaining agents.

Planning for staffing

Strategies were in place and actively monitored

- 6.13 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 6.14 We found that the deputy head of the TSB had two business plans covering the period of the audit and outlining strategies to be used to achieve its staffing priorities, such as knowledge transfer, capacity building and training program review. The approved TSB Business Plans were posted on the organization's intranet. We also found that an e-mail was sent to all staff, inviting them to familiarize themselves with the plan and with upcoming projects, activities and staffing opportunities.
- 6.15 The deputy head of the TSB monitored the results of its staffing strategies by utilising semi-annual staffing actions and gap reports. Analysis of the variance between planned and actual staffing activities was performed and reported to the Executive Committee. Adjustments to the staffing plan were made throughout the year, as required, and on an annual basis, as part of the business planning cycle.

Capacity to deliver

Roles were clearly defined

- 6.16 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 6.17 The deputy head of the TSB clearly defined the roles, responsibilities and accountabilities of sub-delegated officials, the head of HR and HR advisors in relation to appointment and appointment-related authorities. These roles, responsibilities and accountabilities were detailed in the sub-delegation instrument that was communicated and made accessible to all employees.



Monitoring

Mandatory monitoring was conducted, but quality of documentation on file was weak

- 6.18 Organizational monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 6.19 We found that, during the scope of the audit, the deputy head of the TSB established a monitoring reporting and review mechanism to meet mandatory PSC requirements. Year-to-date results of staffing were presented to the Executive Committee at mid-year.
- 6.20 The deputy head of the TSB assigned the responsibility to HR advisors for the ongoing monitoring and maintenance of staffing files. In 2010, the TSB conducted its own monitoring exercise on appointment files from 2008 and 2009. The TSB presented its findings and action plan to the Executive Committee only in 2011. The monitoring exercise identified inadequate documentation as a main area of concern. An action plan was developed. We found that most of the action items in the plan were identified as being completed, including the establishment of a file review checklist.
- 6.21 During our audit of the appointment files, we observed that the new checklist was being used as stated in the action plan. However, most of the appointment files continued to lack important information, despite the completed checklist on file indicating that the information was present. We found that letters of offer, applicants' résumés, second language assessment results, assessment board reports, proof of education and others were missing. Most of the missing documents were eventually found at the request of the auditors; however, the use of the checklist as a monitoring mechanism was not achieving the results intended in the action plan.
- 6.22 We found that the deputy head of the TSB did not have a mechanism to control the quality of the documentation on file. We found that 67% (16 out of 24) of the appointments we reviewed had various deficiencies, such as the following:
- The statement of merit criteria was either not identical in both official languages or showed differences between the advertisements and the notifications posted;
 - The appointment was made from a pool, when the original advertisement did not indicate that a pool would be created; and
 - The justification of the reasons for the appointment decision (right fit) was not compliant with the PSC Appointment Framework, or there was no documentation of a right-fit decision on file.
- 6.23 Active monitoring was conducted by the TSB; however, the measures taken to address the issues found did not result in the required key documentation being placed in the appointment files. These documents, either missing or incomplete, have resulted in some processes where the guiding values of the PSEA have not been demonstrated. **Refer to recommendation 1 at the end of this report.**

Observations on compliance

Poor assessment tools were the main cause of merit not demonstrated or not met

- 6.24 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.
- 6.25 We found that merit was met in 67% (16 out of 24) of the appointments in our sample. However, we found that 25% (6 out of 24) of appointments did not demonstrate merit. The main cause of merit not being demonstrated was weaknesses in the assessment tools and inaccurate documentation to show how merit was met. We were unable to conclude whether merit was demonstrated in these appointments because there was no clear link between the assessment conducted and every qualification, or there was no evidence that each qualification was assessed.
- 6.26 We also found that, in 8% (2 out of 24) of appointments audited, merit was not met. Merit was not met because the person appointed did not meet one or more of the essential qualifications for the work to be performed. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated.

Guiding values were also affected by poor assessment tools

- 6.27 We found that another 25% (6 out of 24) of appointments audited had weaknesses in the demonstration of the guiding values. We found some examples where applicants were not screened consistently, or the rating tools were not consistently applied throughout the screening process. In one case, we were not able to conclude whether the assessment tools were consistently applied to all applicants, as an assessment board report was not available.
- 6.28 The weaknesses found in the development and use of the assessment tools resulted in merit not being demonstrated or not met in one third of the TSB's appointments. The deputy head placed the responsibility of the selection and development of the assessment tools on the sub-delegated officials, with advice from the HR advisors. Weaknesses in the assessment tools may be attributable to the infrequency of sub-delegated officials using their authority, and sub-delegated officials not seeking the advice of HR in the development and use of the tools. **Refer to recommendation 2 at the end of this report.**

Priority requests had errors in 50% of the appointments

- 6.29 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment. One of the roles of the HR advisors identified in the TSB's sub-delegation staffing process chart was the preparation of the priority clearance requests.

- 6.30 We found that, in 38% (9 out of 24) of appointments we reviewed, one or more criteria such as essential qualifications, tenure, position number, group and level, linguistic profile or conditions of employment used to obtain priority clearance were not the same as those used to make the appointment decision. In 13% (3 out of 24) of the instances, priority clearance was not requested from the PSC.
- 6.31 Since in total 50% (12 out of 24) of the appointments reviewed had errors in the priority clearance request, or the request was not made, this could have resulted in priority persons not being referred for further consideration for a vacant position. **Refer to recommendation 3 at the end of this report.**

Recommendations

1. The deputy head of the Transportation Safety Board of Canada should improve its monitoring mechanism at the appointment level to ensure that documentation is complete, accurate and compliant with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC Appointment Framework and other governing authorities. The findings of this monitoring should be reported to senior managers for appropriate corrective measures in a timely manner.
2. The deputy head of the Transportation Safety Board of Canada should ensure that sub-delegated managers have the knowledge and support from human resources to develop assessment tools that demonstrate merit, and that the guiding values are considered in managerial appointment decisions.
3. The deputy head of the Transportation Safety Board of Canada should ensure that human resources advisors complete priority clearance requests for each transaction, and that the request contains accurate and complete information.

Conclusion

- 6.32 The first objective of the audit was to determine whether the TSB had an appropriate framework, systems and practices in place to manage its appointment activities. We found that the deputy head of the TSB had established appropriate policies and staffing strategies. The strategies were monitored and adjusted, as required. We found weaknesses in the TSB's monitoring practices over appointments to ensure that adequate documentation was on file, assessment tools demonstrated merit and priority clearances were appropriately performed.
- 6.33 The second objective was to determine whether appointments and appointment processes complied with the PSEA, the PSER, the PSC Appointment Framework and related organizational policies. We found that most appointments and appointment processes complied with the PSEA, the PSER and the PSC Appointment Framework. Although the majority of appointments we reviewed met merit, there were some appointments in which merit was not met or not demonstrated. We found that the majority of the appointments we reviewed had issues with demonstrating the guiding values. We noted that administrative errors, deficiencies in assessment tools and inadequate consideration of priorities had an impact on the demonstration of the guiding values.



Action taken by the Public Service Commission

The PSC will monitor the TSB's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of the TSB.

Overall response by the Transportation Safety Board of Canada

The TSB agrees with the findings and recommendations of this report and has developed a comprehensive Management Action Plan that addresses recommendations outlined in this report. Some measures have already been implemented and the remaining will be implemented by September 2012.

The TSB has already made improvements to its monitoring processes to improve the quality of documentation on staffing files. Any issues identified through monitoring will be raised to the attention of senior management and corrective actions will be taken in a timely manner.

Revised training and forms have been developed for use by sub-delegated managers to ensure merit and the guiding values are more clearly demonstrated in managerial appointment decisions.

The TSB had already identified administrative issues with priority clearances prior to the start of the audit. Corrective actions have since been taken and an additional level of review was implemented to ensure the integrity and effectiveness of the priority clearance process.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	16 (67%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	2 (8%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	6 (25%)
Total appointments audited		24 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Totals	0	5	1	0

Source: Audit and Data Services Branch, Public Service Commission



7

Audit of the Office of the Information Commissioner of Canada



7 Audit of the Office of the Information Commissioner of Canada

- 7.1 This audit covers the Office of the Information Commissioner of Canada (OIC)'s appointment activities for the period between January 1, 2010, and August 31, 2011. The objectives of the audit were to determine whether the OIC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 7.2 The OIC was established in 1983 under the *Access to Information Act*. Its mission is to defend and protect the public's right of access to public sector information by conducting efficient, fair and confidential investigations, by providing expert advice to Parliament and by advocating transparency to ensure government accountability and citizens' participation in democracy.
- 7.3 The OIC is located entirely in the National Capital Region and, as of March 31, 2011, had a staff of 100 employees. The organization carried out 29 advertised appointments within the scope of this audit.
- 7.4 As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 20 advertised appointments. This sample provides an estimate of the population accurate within +/- 10%, some 90% of the time, given a deviation rate of 20% or less. This sample is sufficient given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

A sub-delegation process was in place, but controls mechanisms were weak

- 7.5 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 7.6 During the period covered by the audit, the deputy head of the OIC formally accepted the delegation of appointment authorities by the PSC and had full delegated authority through the signing of the Appointment Delegation and Accountability Instrument (ADAI).
- 7.7 The OIC's deputy head established an instrument to sub-delegate appointment authority to 10 managers at the level of director and above. In order to become sub-delegated, a manager had to complete the mandatory training so as to be knowledgeable of the Appointment Framework when managing the appointment processes; receive a staffing sub-delegation letter signed by the deputy head; and accept the conditions of sub-delegation in writing.
- 7.8 We found that the list of sub-delegated managers used by human resources (HR) staff was not accurate during the period covered by the audit. We also found that one of the sub-delegated managers received a letter of sub-delegation without having undertaken the required training, and then subsequently signed 25% (5 out of 20) of the appointments in our sample. In order for the OIC's sub-delegation process to operate effectively, both the training and the list of sub-delegated managers used by HR staff must be maintained.
- 7.9 We found that it was a current practice within the OIC to have sub-delegated managers sign letters of offer for the candidates appointed from processes in which no sub-delegated manager had been involved in key decision points. As the employees who managed the processes had not received the mandatory training identified by the deputy head to be able to adequately manage the staffing processes, sub-delegated managers were not taking responsibility for appointments and were making the management decisions that perhaps they ought to be making. The responsibility of sub-delegated managers, according to the PSC *Selection and Appointment Policy*, is to ensure that the person to be appointed meets the established merit criteria, is within the area of selection and has applied within the period established for receiving applications, and that reasons for the appointment decisions have been documented and demonstrate respect for the guiding values. Our audit showed that only 1 of the 20 appointments audited respected all of the appointment values. We were informed by OIC representatives that, to address this situation, the organization is now requiring that each board member, whether a sub-delegated manager or not, follow the required mandatory training. **Refer to recommendation 1 at the end of this report.**



Appointment policies

Mandatory appointment policies and criteria were in place, but guidance for non-advertised appointments was inadequate

- 7.10 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 7.11 We found that the OIC established appointment policies compliant with the PSEA, the PSER and the PSC Appointment Framework, with the exception of the OIC policy on non-advertised appointment processes. Stakeholders were consulted in the development of the policies, and these were also communicated and made accessible to all sub-delegated managers, employees and bargaining agents.
- 7.12 However, none of the policies were formally approved by the deputy head, contrary to OIC practice. Having this formal approval would help the deputy head to validate their compliance with the requirements of the ADAI to establish a management framework based on the Staffing Management Accountability Framework provided by the PSC.
- 7.13 We found that the OIC policy for non-advertised processes did not provide clear directions to sub-delegated managers as to how to justify the choice of a non-advertised process; did not guide them in the demonstration of the appointment values; and did not require a written rationale for appointments subsequent to a reclassification. Because of this gap in the OIC policy, the processes in place at the OIC for non-advertised appointments were found to lead systemically to non-compliant non-advertised appointments. As a consequence, only advertised appointments were further reviewed for compliance with the Appointment Framework during this audit. **Refer to recommendation 2 at the end of this report.**

Planning for staffing

Staffing strategies were followed

- 7.14 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 7.15 We found that the OIC had staffing strategies that were aligned with its corporate priorities in staffing. They were communicated, monitored and adjusted, as required.



Capacity to deliver

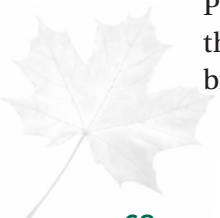
Roles, responsibilities and accountabilities were defined, but human resources specialist support was not always effective

- 7.16 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 7.17 We found that, according to the Table of Authorities established by the OIC's deputy head, all sub-delegated managers must consult with HR staff for each staffing-related decision. Also, by accepting their sub-delegation authorities, sub-delegated managers were accountable for their staffing decisions.
- 7.18 However, despite this requirement for the participation of HR specialists with the sub-delegated managers in the appointment process, we found that the support provided by HR specialists was not always effective. Our compliance results show that there were issues with most of the appointments audited. As a result, in 30% (6 out of 20) of the appointments included in our sample, we found evidence that the HR specialists provided advice that was not compliant with the Appointment Framework. For example, in a given appointment process, persons with priority entitlements were referred by the PSC, but the HR specialist did not advise the sub-delegated manager to assess them before other candidates. This resulted in the persons being denied the priority entitlement provided by the PSEA. In another appointment process, some qualifications in the statement of merit criteria were added after the posting of the advertisement, but the candidates who had already applied were not asked to reapply. This resulted in the candidates not being provided with the opportunity to demonstrate whether they met the new qualification. These are areas where an effective participation of HR specialist can make a substantive positive impact. **Refer to recommendation 2 at the end of this report.**

Monitoring

Monitoring was not conducted

- 7.19 Organizational monitoring is an ongoing process that allows deputy heads to assess the management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 7.20 We found that, during the period covered by the audit, the OIC did not conduct the mandatory monitoring outlined in PSC policies and did not have its own management framework to actively monitor whether appointment and appointment-related decisions adhered to the PSEA, the PSER, the PSC Appointment Framework and the organization's appointment framework.
- 7.21 We found that the OIC had a staffing file checklist that was generally consistent with the PSC's requirements to fully document appointments to support key decision points. However, the checklist did not require the collection of proof of education, except in the case of student bridging. As a result, the OIC was at risk of not being able to demonstrate merit. Proof of education



that had not been documented at the time of the appointment was provided upon the request of the audit team, except in the case of one external advertised appointment, where the OIC was not able to find it.

- 7.22 The OIC was not able to provide important documentation in 40% (8 out of 20) of the appointments audited. These documents are intended to support key decision points and activities while demonstrating that the core and guiding values required in the appointment process are respected. Documents missing from the OIC's appointment files included signed statements of persons participating in boards, confirming that they were not in a conflict of interest and were able to carry out their duties in a fair and just manner; priority clearance requests; and the reason for the selection of the appointee (right fit). **Refer to recommendation 3 at the end of this report.**
- 7.23 The OIC retained some information on its appointment system and its individual appointment files; however, we found that this information was not always complete or reliable.
- 7.24 We found that the length of acting appointments recorded in the OIC's HR information system was not properly calculated. As a result, the organization did not have sufficient and accurate information available to adequately monitor acting appointments for periods of more than four months. Thus, the organization could not determine whether these appointments should have been subject to merit or whether they required justifications for non-advertised appointment acting periods. OIC representatives have informed us that this miscalculation has been corrected.

Observations on compliance

Merit was met in more than half of appointments audited

- 7.25 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.
- 7.26 We found that merit was met in 55% (11 out of 20) of the appointments audited. For the remaining nine appointments, merit was not demonstrated due to inadequate assessment tools (that is, not all of the elements in the statement of merit criteria were assessed, or the assessments were not substantiated). **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated. **Refer to recommendation 1 at the end of this report.**

Guiding values were not adequately considered

- 7.27 The process of selecting and appointing a candidate must also respect the guiding values of fairness, access, transparency and representativeness. The appointment files must demonstrate that these values were respected throughout the appointment process.



- 7.28 The reason for the selection of some appointees from a pool of candidates could not be provided by OIC managers. For example, we found that the qualifications used for the appointments were not all adequately assessed in 40% (8 out of 20) of the appointments audited; the assessment was found not to be consistent in 15% (3 out of 20) of the appointment processes audited; the justification for the appointment decision (right fit) was missing in 10% (2 out of 20) of the appointments audited; and the signed statement of selection board members attesting their independence from candidates was missing in 30% (6 out of 20) of the cases.
- 7.29 These findings point to a failure to consider the guiding values of transparency, fairness and access in the appointment processes at the OIC. We also found that, out of the 11 appointments where merit was met, only 1 respected all of the guiding values. **Refer to recommendation 1 at the end of this report.**

Priority requests did not always align with the requirements of the positions

- 7.30 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.
- 7.31 We found that the priority clearance number was not obtained prior to, or on, the date the letter of offer was issued in 2 out of the 19 appointments that required it. We also found that, in 3 out of these 19 appointments, the tenure, linguistic profile or conditions of employment in the priority requests were not the same as those used to make the appointment decision. **Refer to recommendation 4 at the end of this report.**

Recommendations

1. The deputy head of the Office of the Information Commissioner of Canada should ensure that sub-delegated managers take an active role in appointment processes and that sufficient documentation supports key decision points and activities to demonstrate, in both advertised and non advertised processes, that the core and guiding values have been respected.
2. The deputy head of the Office of the Information Commissioner of Canada should establish and implement an effective monitoring framework for staffing that provides accurate, reliable, timely and complete information about appointments and should ensure that all sub-delegated managers and human resources staff have a clear understanding of related roles, responsibilities and accountabilities to allow management to take appropriate action, as required.
3. The deputy head of the Office of the Information Commissioner of Canada should ensure the implementation of effective control of the delegation process, approved and compliant staffing policies, sound support by human resources staff and clear guidance and effective staffing tools, including the implementation of a compliant process for non-advertised appointments.



4. The deputy head of the Office of the Information Commissioner of Canada should ensure that human resources specialists complete priority clearance requests, when needed, and ensure that the requests contain accurate and complete information.

Conclusion

- 7.32 The first objective of the audit was to determine whether the OIC had an appropriate framework, practices and systems in place to manage its appointment activities. Although the OIC had some elements of a framework in place, there are a number of weaknesses, particularly in key areas of sub-delegation, the roles, the responsibilities and the accountabilities of HR staff in monitoring and providing the appropriate support to sub-delegated managers. Furthermore, we found that the OIC had no effective control mechanism to monitor compliance of appointments and the integrity of staffing information. The combination of these findings points to a failure to consider the guiding values in the appointment processes at the OIC.
- 7.33 The second objective was to determine whether appointments and appointment processes complied with the PSEA, the PSER, the PSC Appointment Framework and related organizational policies. We found that only 1 file from the 20 advertised appointments reviewed during this audit fully met this requirement. Furthermore, the processes in place at the OIC for non-advertised appointments were found to lead systemically to non-compliant appointments.



Action taken by the Public Service Commission

The PSC will monitor the OIC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of OIC.

Overall response from the Office of the Information Commissioner of Canada

The OIC accepts the findings and recommendations of the PSC and, as the head of the institution, I am fully committed to addressing the issues raised in the report in a timely, rigorous and effective manner. I would like to assure the PSC that I take my responsibility to ensure that any staffing action undertaken at the OIC is based on public service values that support building a competent, non-partisan and merit-based public service very seriously. We are already implementing a detailed action plan to ensure full compliance with the Public Service Employment Act and all related staffing policies, practices and procedures. In March 2012, I took the decision to outsource our human resources function to Public Works and Government Services Canada's Shared Human Resources Services. This move will help the OIC to ensure the integrity of the staffing system and introduce a more rigorous challenge function to service delivery. My senior management team and the OIC audit committee will provide oversight.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	11 (55%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	9 (45%)
Total appointments audited		20 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	0	8	2	6

Source: Audit and Data Services Branch, Public Service Commission

*In some cases, more than one reason applies to an appointment.



8

Audit of the Canadian Radio-television and Telecommunications Commission



8 Audit of the Canadian Radio-television and Telecommunications Commission

- 8.1 This audit covers the Canadian Radio-television and Telecommunications Commission (CRTC)'s appointment activities for the period between April 1, 2010, and August 31, 2011. The objectives of the audit were to determine whether the CRTC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 8.2 The CRTC was established by Parliament in 1968 and is an independent public authority that regulates and supervises the Canadian broadcasting and telecommunications systems in the public interest, according to the policy objectives established in the *Broadcasting Act* of 1991 and the *Telecommunications Act* of 1993.
- 8.3 The CRTC had 409 employees as of March 31, 2011, and 97% of its workforce was located in its Headquarters in the National Capital Region. The majority of the work performed in the regions is related to client and regional advisor services.
- 8.4 The organization carried out 71 appointments during the scope of this audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 30 appointments. This sample provides an estimate of the population accurate within +/- 10%, some 90% of the time, given a deviation rate of 20% or less. This sample is sufficient, given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The *Public Service Employment Act* and the Public Service Commission's delegated authorities

A sub-delegation process was in place, but has not been adequately carried out

- 8.5 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 8.6 During the period covered by the audit, the deputy head of the CRTC formally accepted the delegation of appointment authorities by the PSC and had full delegated authority through the signing of the Appointment Delegation and Accountability Instrument (ADAI) with the PSC.
- 8.7 The deputy head of the CRTC established an instrument to sub-delegate appointment authorities to managers. In order to become sub-delegated, a manager had to occupy a sub-delegated position, as identified by title or occupational group and level in the sub-delegation instrument; complete in-house mandatory training on staffing delegation; receive a staffing sub-delegation letter signed by the deputy head; and accept the conditions of sub-delegation in writing.
- 8.8 We found that the CRTC communicated its sub-delegation instrument to its employees through its intranet. However, the English version contained sub-delegated positions that were not included in the French version, while only the French version was formally approved by the deputy head. As a result, the sub-delegation instrument established by the deputy head of the CRTC was not adequately carried out, and the changes made to the English version but not formally approved did not comply with the ADAI requirement that the deputy head retain sole authority to sub-delegate appointment and appointment-related authorities.
- 8.9 We found that, during the period covered by the audit, the list of sub-delegated managers used by human resources (HR) staff to verify whether an individual was sub-delegated was not accurate. We also found that, of the 20 individuals who signed the 30 letters of offer in our sample, 2 did not occupy a sub-delegated position, as identified in the sub-delegation instrument. In addition, the CRTC was not able to demonstrate that 12 of the 20 had completed the in-house mandatory training on staffing delegation and that 4 of the 20 received a staffing sub-delegation letter. In order for the CRTC's sub-delegation process to operate effectively, both the training and the list of sub-delegated managers used by HR staff must be maintained. **Refer to recommendation 1 at the end of this report.**



Appointment policies

Mandatory appointment policies and criteria were in place, but guidance for non-advertised appointments was inadequate

- 8.10 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 8.11 While the CRTC established the mandatory appointment policies, we found that its policies on non-advertised appointment processes and area of selection were not compliant with the PSC Appointment Framework. For instance, the CRTC policy on non-advertised appointment processes did not specifically require demonstration of how the appointment met the CRTC's criteria. In addition, the CRTC policy on area of selection did not establish a national area of selection for external advertised appointments processes, as required by the *PSC Area of Selection Policy*.
- 8.12 Stakeholders were consulted in the development of the policies, which were communicated and made accessible to all sub-delegated managers, employees and bargaining agents. However, none of the CRTC policies was approved by the deputy head, as required by the CRTC appointment framework. Having this formal approval would help the deputy head of the CRTC to validate their compliance with the requirements of the ADAI to establish a management framework based on the Staffing Management Accountability Framework provided by the PSC. **Refer to recommendation 1 at the end of this report.**

Planning for staffing

Staffing strategies were in place, but results were not monitored

- 8.13 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 8.14 We found that the CRTC established and communicated staffing strategies that were aligned with its corporate staffing priorities. However, the CRTC did not monitor the results of its strategies to enable it to determine whether adjustments were required. **Refer to recommendation 2 at the end of this report.**

Capacity to deliver

Roles, responsibilities and accountabilities were defined, but human resources specialists support was not appropriate

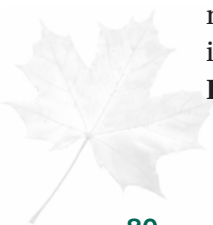
- 8.15 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.

- 8.16 The CRTC defined, documented and communicated the appointment-related roles, responsibilities and accountabilities of both sub-delegated managers and HR specialists. We found that the sub-delegated managers had access to HR specialists whose expertise in the PSC Appointment Framework was validated by the PSC. In addition, the CRTC required that sub-delegated managers consult with HR specialists for each staffing-related decision. By accepting sub-delegated authorities, sub-delegated managers commit to being held accountable for their staffing decisions.
- 8.17 We also found that the CRTC established a requirement for its HR specialists to confirm compliance of the appointment with the PSC Appointment Framework before authorizing the issuance of a letter of offer.
- 8.18 However, despite this requirement for the participation of HR with the sub-delegated managers in the appointment process, we found that the support provided by HR specialists was generally not effective; our compliance results show that there were issues with most of the appointments audited. As a result, the CRTC was generally not able to demonstrate merit or the guiding values. For example, we found that merit was not demonstrated in 77% (23 out of 30) of the appointments audited; in 20 of these 23 appointments, the assessment tool used did not evaluate all of the merit criteria. In addition, we found that none of the 27 advertised appointments audited respected all of the appointment values. **Refer to recommendation 1 at the end of this report.**

Monitoring

Mandatory monitoring was not undertaken, and ongoing monitoring of appointments was not effective

- 8.19 Organizational monitoring is an ongoing process that allows deputy heads to assess the management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 8.20 We found that, during the period between April 1, 2010, and August 31, 2011, the CRTC did not conduct the mandatory monitoring outlined in PSC policies. It also did not have its own management framework to actively monitor whether appointment and appointment-related decisions adhere to the PSEA, the PSER, the PSC Appointment Framework and the organization's appointment framework.
- 8.21 We found that the CRTC had a staffing file checklist to help ensure that it complied with the PSC's requirements to fully document appointments to support key decision points. However, the CRTC was not able to provide important documentation in 83% (25 out of 30) of the appointments audited. These documents are intended to support key decision points and activities while demonstrating that the core and guiding values required in the appointment process are respected. Documents missing from the CRTC's appointment files included signed statements of persons participating in boards, assessment material and the reason for the selection of the appointee (right fit). **Refer to recommendation 3 at the end of this report.**



- 8.22 We found that information retained by the CRTC on its appointment system and its individual appointment files was not always complete or reliable. For example, we found that the CRTC miscalculated the duration of acting appointments. As a result, the organization did not have sufficient or accurate information available to adequately monitor acting appointments for periods of more than four months. Thus, the organization could not determine whether these appointments should have been subject to merit or whether they required justification for non-advertised appointments for acting periods. We also found that four casual appointments were coded as acting assignments, and that the CRTC's data provided to the audit team were not always complete and reliable with regard to the process numbers and appointment start dates. **Refer to recommendation 2 at the end of this report.**

Observations on compliance

Merit was generally not demonstrated

- 8.23 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.
- 8.24 We found that merit was met in 10% (3 out of 30) of the appointments audited. However, we found that merit was not met in 13% (4 out of 30) appointments. In two instances, the appointee did not meet some of the asset qualifications that had been used to make the appointments; in the two other instances, the appointee did not meet the passing mark established for some of the essential qualifications. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated.
- 8.25 Merit was not demonstrated in 77% (23 out of 30) of the appointments. Despite the requirement by the deputy head of the CRTC for consultation between sub-delegated managers and HR staff when undertaking an appointment process, and HR staff's role in providing advice and guidance at all stages of that process, we found the assessment tools to be inadequate in 20 of the 23 appointments where merit was not demonstrated. **Refer to recommendation 3 at the end of this report.**

Guiding values were not respected

- 8.26 The process of selecting and appointing a candidate must also respect the guiding values of fairness, access, transparency and representativeness. The appointment files must demonstrate that these values were respected throughout the appointment process.
- 8.27 We found that 90% (27 out of 30) of the appointments audited did not fully respect the guiding values. For example, the screening of candidates was not consistently applied in 22 out of the 27 advertised appointment processes audited: qualifications used for the appointments were not all adequately assessed; the justification of the reasons for the appointment decision (right fit),

when available, was not compliant with the PSC Appointment Framework; the justification for the use of a non-advertised appointment process did not demonstrate respect for all of the guiding values; and the signed statement of selection board members attesting their independency from candidates was missing in the majority of the appointment processes. We also found that, in the three appointments where merit was met, the CRTC did not demonstrate that all of the guiding values were respected. These findings indicate a gap in the ability of the CRTC to clearly demonstrate consideration of the guiding values in decision-making associated with appointment processes. **Refer to recommendation 3 at the end of this report.**

Priority requests did not always align with the requirements of the positions

- 8.28 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.
- 8.29 We found that the CRTC obtained the priority clearance number in all of the 29 appointment processes that required it. However, in 12 of these appointment processes, the essential qualifications used to obtain the priority clearance were not the same as those used to make the appointment decision. In addition, in four of the appointments, the tenure, linguistic profile or conditions of employment in the priority request were not the same as those used to make the appointment decision. We also found that, in one appointment process, a person with a priority entitlement was referred but was not adequately considered. **Refer to recommendation 4 at the end of this report.**

Recommendations

- 1.** The deputy head of the Canadian Radio-television and Telecommunications Commission should ensure the implementation of effective control of the delegation process, approved and compliant staffing policies, sound support by human resources staff and clear guidance and effective staffing tools.
- 2.** The deputy head of the Canadian Radio-television and Telecommunications Commission should establish and implement an effective staffing monitoring framework in order to provide accurate, reliable, timely and complete information on appointments.
- 3.** The deputy head of the Canadian Radio-television and Telecommunications Commission should ensure that sufficient documentation supports key decision points and activities while demonstrating that the core and guiding values have been respected in both advertised and non-advertised processes.
- 4.** The deputy head of the Canadian Radio-television and Telecommunications Commission should ensure that priority clearance requests contain accurate and complete information and that sub-delegated managers give proper consideration to persons with priority entitlement before making an appointment.



Conclusion

- 8.30 The first objective of the audit was to determine whether the CRTC had an appropriate framework, practices and systems in place to manage its appointment activities. While the CRTC had some elements of a framework in place, there were a number of weaknesses, particularly in the key areas of sub-delegation, the roles, the responsibilities and the accountabilities of HR staff in monitoring and providing appropriate support to sub-delegated managers. Furthermore, we found that the CRTC's appointment framework needed improvement to establish an effective control mechanism for monitoring compliance of appointments and the integrity of staffing information.
- 8.31 The second objective was to determine whether appointments and appointment processes complied with the PSEA, the PSER, the PSC Appointment Framework and related organizational policies. We found that, while merit was met in 3 out of 30 appointments we audited, none of the 30 appointments reviewed fully demonstrated compliance.



Action taken by the Public Service Commission

The PSC will monitor the CRTC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report. The PSC will enter into an agreement with the CRTC to provide advice and support in addressing the issues raised by the audit. As a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of the CRTC at this time.

Overall response by the Canadian Radio-television and Telecommunications Commission

The CRTC accepts the findings and recommendations of the PSC. The CRTC is committed to implementing the audit recommendations and will consult with PSC in developing its staffing monitoring framework. We are already implementing a detailed action plan to address the issues raised in the audit report. Our action plan also identifies the timelines and success indicators to monitor the progress being made. The Director General of human resources will be responsible for the monitoring and the implementation of the recommendations and will submit semi-annual progress reports to the President of the CRTC and also to the PSC through its annual Departmental Staffing Accountability Report.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	3 (10%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	4 (13%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	23 (77%)
Total appointments audited		30 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	0	20	15	8

Source: Audit and Data Services Branch, Public Service Commission

*In some cases, more than one reason applies to an appointment.



9

Audit of the Public Prosecution Service of Canada



9 Audit of the Public Prosecution Service of Canada

- 9.1 This audit covers the Public Prosecution Service of Canada (PPSC)'s appointment activities for the period between April 1, 2010, and March 31, 2011. The objectives of the audit were to determine whether the PPSC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 9.2 The PPSC is a young organization created on December 12, 2006, when the *Director of Public Prosecutions Act*, Part 3 of the *Federal Accountability Act*, came into force. This Act calls on the PPSC to provide prosecutorial advice to law enforcement agencies and to prosecute matters on behalf of the Crown that are within the jurisdiction of the Attorney General of Canada. The PPSC's sole strategic outcome is the prosecution of criminal and regulatory offences under federal law in a manner that is independent, impartial and fair.
- 9.3 The PPSC assumed the role played within the Department of Justice Canada by the former Federal Prosecution Service, and took on additional responsibilities for prosecuting new fraud offences under the *Financial Administration Act* as well as offences under the *Canada Elections Act*. The PPSC is an independent organization, reporting to Parliament through the Attorney General of Canada.
- 9.4 Since its creation in 2006, the PPSC has relied on a Memorandum of Understanding (MOU) with the Department of Justice Canada as its service provider for the provision of operational staffing services. The deputy head of the PPSC has a valid Appointment Delegation and Accountability Instrument with the PSC. During the period covered by our audit, the Director of Public Prosecutions of the PPSC had full delegated appointment and appointment-related authorities. In 2010-2011, the PPSC had 884 full-time equivalents and carried out 146 appointments within the scope of this audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 35 appointments. This sample of 35 appointments provides an estimate of the population accurate within +/- 10%, 90% of the time, given a deviation rate of 20% or less. This sample is sufficient given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place, but the application of sub-delegated authorities lacked effective control

- 9.5 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 9.6 The Director of Public Prosecutions established a sub-delegation instrument that authorized sub-delegated officials to make appointments on the Director's behalf. We found that this instrument is compliant with the PSC Appointment Framework. We also noted that the Director of Public Prosecutions determined conditions that must be met before officials can be considered competent to exercise their appointment and appointment-related authorities. We found that sub-delegated managers met the identified requirements, and that they had access to human resources (HR) advisors whose knowledge had been validated by the PSC.
- 9.7 During our review of appointments, we found that, in 9% (3 out of 35) of the appointments audited, letters of offer had been signed by two managers to whom the authority had not been sub-delegated at the time of the appointment. This illustrates weaknesses in the control of the application of sub-delegated authorities. **Refer to recommendation 1 at the end of this report.**

Appointment policies

Mandatory appointment policies and criteria were implemented

- 9.8 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 9.9 Since its creation, the PPSC has relied on the Department of Justice Canada's appointment policies. In May of 2010, the PPSC put in place its own mandatory appointment policies with respect to area of selection, corrective action and revocation and criteria for the use of non-advertised appointment processes. We found that the PPSC's stakeholders, such as managers and union representatives, were consulted in the development of the policies. These policies were communicated and made accessible to all employees via the PPSC's intranet.
- 9.10 We also found that the PPSC's policies on the use of non-advertised appointment processes and on corrective action and revocation of appointment are both consistent with the requirements of the PSC Appointment Framework. However, the PPSC *Policy on Area of Selection* indicates that the hiring of Co-op students is exempted from the application of the national area of selection, which is not compliant with the PSC *Area of Selection Policy*. In March of 2012, the PPSC updated its *Policy on Area of Selection* to ensure its compliance.



Planning for staffing

Staffing strategies were not developed or communicated in a timely manner

- 9.11 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 9.12 Although the PPSC identified recruitment as one of its management priorities in its Report on Plans and Priorities for 2010-2011, we found that it was only at the end of the 2010-2011 fiscal year that the PPSC identified staffing priorities and strategies. We also found that these priorities and strategies were not communicated to employees, including hiring managers.
- 9.13 The PPSC's priorities were to target recruitment in shortage and specialized classification groups and to increase student recruitment. To support these priorities, staffing strategies were established, such as the completion of a national recruitment campaign in the North; the use of post-secondary recruitment programs; and the commitment to hire through the Legal Excellence Program. We found that measurable expected results were identified for each of these staffing strategies. Since they were established late, there was not enough time to achieve the expected results. A report on the variance between the expected results and the actual staffing activities was produced, showing that the PPSC did not meet the expected results. Based on these findings, the PPSC made adjustments to the staffing strategies for 2011-2012 and communicated them to employees. This was done in February 2012, at the end of the fiscal year.

Capacity to deliver

Roles, responsibilities and accountabilities were defined

- 9.14 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 9.15 We found that roles, responsibilities and accountabilities have been defined and communicated in various organizational documents that are accessible to hiring managers, HR advisors and employees through the PPSC's intranet. We found that the MOU signed with the Department of Justice Canada also describes roles and responsibilities relating to staffing. Even though the Department of Justice Canada is responsible for the provision of operational staffing services, including providing guidance to sub-delegated managers, the PPSC's sub-delegated managers are accountable for exercising appointment and appointment-related authorities in conformity with PPSC and central agency policies, practices, processes and systems.



Monitoring

Some monitoring activities took place, but there was a lack of control mechanisms at the appointment level

- 9.16 Organizational monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework, and adjust practices accordingly.
- 9.17 We found that the PPSC had conducted the mandatory monitoring outlined in PSC policies: acting appointments over 12 months; appointments of casual workers to term or indeterminate status through non-advertised processes; appointments to the Executive group through non-advertised processes; use of national area of selection; and use of the *Public Service Official Languages Exclusion Approval Order*, which provides for certain circumstances in which a person is excluded temporarily or permanently from meeting the official languages proficiency requirements of a bilingual position.
- 9.18 We also found that, in order to ensure the integrity of the data, quarterly reports were generated by the Department of Justice Canada and provided to the PPSC for the review and identification of necessary corrective measures. Our audit found that the organization provided reliable information on individual appointment processes through their HR management system.
- 9.19 We found, however, that the PPSC did not have a staffing monitoring framework in place, including effective control mechanisms at the appointment level, during the period covered by our audit. Not having effective control mechanisms to ensure the compliance of appointments and appointment processes with legislative, regulatory and policy requirements had an impact on the capacity of the organization to identify risk areas and take corrective measures in a timely manner. These control mechanisms could have allowed the PPSC to address compliance issues such as those illustrated in the following paragraphs. **Refer to recommendation 2 at the end of this report.**

Observations on compliance

Merit was met in about two thirds of the appointments audited

- 9.20 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.
- 9.21 Our audit revealed that merit was met in 71% (25 out of 35) of the audited appointments, but not demonstrated in 29% (10 out of 35). The main reason for merit not being demonstrated was that the organization was unable to provide either evidence that the assessment tools assessed all of



the merit criteria, or the assessment documentation of the person appointed. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated.

Some job opportunity advertisements were not identical in English and French

- 9.22 We found, in eight of the advertised appointments, that the English and French versions of the advertisement or the statement of merit criteria were not identical. When the merit criteria are not identical in both official languages, access may not be the same for all potential applicants, as some of them may choose not to apply.

Some assessment processes have put the guiding values at risk

- 9.23 We found in nine appointment processes that the assessment tools were not consistently applied to applicants or candidates at each step of the assessment process. For example, some applicants who demonstrated in their application that they met the required experience qualifications were screened out, while others were screened in, even though they did not demonstrate the required experience in their application. This practice jeopardizes the guiding values of fairness and access.

Priority persons did not always receive proper consideration

- 9.24 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment. We found that, in 11% (4 out of 35) of appointment processes reviewed, the essential qualifications or the conditions of employment used to obtain priority clearance were more restrictive than the ones used to make the appointment decision. This practice is contrary to PSC's requirements to consider priority persons, and adversely affects the guiding values of access and transparency. **Refer to recommendation 3 at the end of this report.**

Recommendations

- 1.** The deputy head of the Public Prosecution Service of Canada should implement the necessary controls to ensure that all letters of offer are signed by sub-delegated managers.
- 2.** The deputy head of the Public Prosecution Service of Canada should establish and implement, with its service provider, a staffing monitoring framework that includes control mechanisms to ensure that appointment processes and related decisions are fully documented and compliant with legislative, regulatory and policy requirements. Monitored results should also be reported to senior management for necessary action, as needed.
- 3.** The deputy head of the Public Prosecution Service of Canada should strengthen the process to ensure that the priority clearance request for each transaction contains accurate and complete information.



Conclusion

- 9.25 We concluded that most of the elements of the appointment framework of the PPSC were in place. We found that mandatory appointment policies and criteria were implemented and that roles, responsibilities and accountabilities were defined. We also found that the deputy head of the PPSC established a sub-delegation instrument that is compliant with the PSC Appointment Framework. We found, however, that the PPSC did not have a staffing monitoring framework in place and did not monitor the application of the delegated authorities to ensure the compliance of appointments. Finally, we noted that the PPSC did not develop or communicate its staffing strategies in a timely manner.
- 9.26 We found that merit was not demonstrated in 29% (10 out of 35) of the audited appointments. The main reason for merit not being demonstrated was that the organization was unable to provide documentation that would characterize a process based on merit, such as either evidence that the assessment tools assessed all merit criteria, or the assessment documentation of the person appointed. We also found situations where appointment processes presented other risks to the PSEA, the PSER and the PSC Appointment Framework, such as priority persons not always receiving proper consideration, job opportunity advertisements not being identical in English and French and some assessment tools not being applied consistently.



Action taken by the Public Service Commission

The PSC will monitor the PPSC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of the PPSC.

Overall response by the Public Prosecution Service of Canada

The PPSC acknowledges the recommendations and findings identified in the PSC Audit Report and is committed to addressing each recommendation and finding. The PPSC recognizes the need for a well developed and implemented Staffing Monitoring Framework. It is through this framework that the organization will be able to put in place the control mechanisms required to ensure that appointment processes and related decisions are fully documented and compliant with legislative, regulatory and policy requirements. The PPSC acknowledges a similar need to establish and implement a control mechanism for the management and monitoring of sub-delegated staffing authorities to ensure that letters of offers are signed by managers to whom authority has been sub-delegated. Finally, the PPSC accepts the need to strengthen the process to ensure that a priority clearance request for each transaction contains accurate and complete information.

The PPSC had already started to address the concerns identified during the audit process. First, the PPSC drafted a Staffing Monitoring Framework which is now being reviewed in light of concerns raised in the Audit Report. Second, the PPSC has completed a review and validation of sub-delegated managers for staffing within the Human Resources System. Third, the PPSC's Policy on Area of Selection has been reviewed and amended to reflect the requirements for CO-OP students as set out in the PSC's Area of Selection Policy. Finally, Staffing Priorities and Strategies for the 2012-2013 are under development.

The PPSC is committed to responding to each of the recommendations and findings raised within the Audit Report as well as the concerns raised throughout the audit process. To further support this commitment, a detailed Action Plan has been provided and will be communicated to all sub-delegated managers and to our service provider. The PPSC is committed to working with key stakeholders to ensure that the requirements are addressed and success indicators are achieved in timely manner.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	25 (71%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	10 (29%)
Total appointments audited		35 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	0	5	1	7

Source: Audit and Data Services Branch, Public Service Commission

*In some cases, more than one reason applies to an appointment.



10

Audit of the
Canadian International
Development Agency



10 Audit of the Canadian International Development Agency

- 10.1 This audit covers the Canadian International Development Agency (CIDA)'s appointment activities for the period between April 1, 2010, and July 15, 2011. The objectives of the audit were to determine whether CIDA had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 10.2 CIDA was established in 1968 to administer the bulk of Canada's official development assistance program. In 1995, CIDA took on the responsibility for administering Canada's official assistance programs in Central and Eastern Europe and in the former Soviet Union (countries in transition) by supporting democratic development and economic liberalization. CIDA works in concert with its development partners, fragile states and countries in crisis, countries of focus and the Canadian population and institutions. CIDA's mission is to lead Canada's international efforts to help people living in poverty.
- 10.3 As of December 31, 2010, CIDA had 1 919 employees, 89% of them working in the National Capital Region and 11% in five regions across Canada and abroad.
- 10.4 The organization carried out 553 appointments during the period covered by the audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 40 appointments. This sample provides an estimate of the population accurate within +/- 10%, 90% of the time, given a deviation rate of 20% or less. This sample is sufficient, given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

Sub-delegated instruments were in place, but required improvement

- 10.5 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 10.6 We found that, during the period covered by the audit, the President of CIDA formally accepted the delegation of appointment authorities by the PSC and had full delegated authority through the signing of the Appointment Delegation and Accountability Instrument (ADAI) with the PSC.
- 10.7 The President of CIDA established an instrument to sub-delegate appointment authorities to officials. In order to become sub-delegated, an official had to complete mandatory in-house training on staffing delegation; receive a staffing sub-delegation letter signed by the President; and accept the conditions of sub-delegation in writing.
- 10.8 While CIDA had put in place the key areas that would allow the organization to control the sub-delegation of appointment authorities, we found some errors in the implementation of these controls. In particular, we found errors in the dates associated with sub-delegation and inconsistencies in the tracking of key information. In order for CIDA's sub-delegation process to operate effectively, both the training and the list of sub-delegated officials used by human resources (HR) staff must be maintained. **Refer to recommendation 1 at the end of this report.**

Appointment policies

Mandatory appointment policies and criteria were in place, but were not compliant with the Appointment Framework

- 10.9 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 10.10 We found that the President had established the mandatory appointment policies and criteria for the use of non-advertised appointment processes, and that these policies were available to all employees through the organization's intranet site. We noted, however, that CIDA's *Policy for the Area of Selection* and its *Guidelines for the Use of Non-Advertised Processes* were not aligned with PSC requirements and were not approved.
- 10.11 We found that the *Policy for the Area of Selection* did not adhere to the PSC's requirement for a national area of selection for external advertised processes and did not provide meaningful access to recourse for internal non-advertised processes. Also, the policy did not include the value

of representativeness. Both the *Policy for the Area of Selection* and the *Guidelines for the Use of Non-advertised Processes* were revised during the audit scope and are now compliant with the PSC Appointment Framework.

- 10.12 We found that CIDA had a process in place to consult with sub-delegated officials, HR specialists, bargaining agents and senior management in the development and review of organizational policies. Although some of the policies were revised during the period of the audit, no consultation had taken place during their revision. Also, the revised documents were not approved by the President, contrary to CIDA's practice of approving these documents. Having this formal approval helps the President of CIDA to validate their compliance with the requirements of the ADAI to establish a management framework based on the Staffing Management Accountability Framework provided by the PSC. **Refer to recommendation 1 at the end of this report.**

Planning for staffing

Staffing plans and strategies were not in place

- 10.13 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 10.14 We found that, during the period covered by the audit, CIDA had neither an agency-wide staffing plan nor approved organizational staffing priorities. CIDA did approve an Integrated Business Plan on November 24, 2011, but there was no communication, monitoring or adjustments made to staffing strategies. **Refer to recommendation 2 at the end of this report.**

Capacity to deliver

Roles, responsibilities and accountabilities were defined, but not adequately carried out

- 10.15 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 10.16 CIDA defined, documented and communicated the appointment-related roles, responsibilities and accountabilities of both sub-delegated officials and HR specialists. We found that the sub-delegated officials had access to HR specialists whose expertise in the PSC Appointment Framework was validated by the PSC. In addition, CIDA required that sub-delegated officials consult with HR specialists for each staffing-related decision. By accepting sub-delegated authorities, sub-delegated officials commit to being held accountable for their staffing decisions.
- 10.17 We also found that CIDA established a requirement for its HR specialists to confirm compliance of the appointment with the PSC Appointment Framework.
- 10.18 However, despite this requirement for the participation of HR with the sub-delegated officials in the appointment process, we found that the support provided by HR specialists was generally not effective given that our compliance results show that there were issues with the majority of the appointments audited. For example, CIDA was not able to demonstrate merit and the



consideration of guiding values in most cases; we found that, in 50% (20 out of 40) of the appointments we audited, not all of the appointment values were respected. Furthermore, merit was not met in 5% (2 out of 40) or not demonstrated in 52% (21 out of 40) of appointments. **Refer to recommendation 1 at the end of this report.**

Monitoring

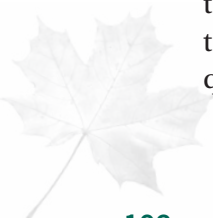
No monitoring framework was in place

- 10.19 Organizational monitoring is an ongoing process that allows deputy heads to assess the management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 10.20 During the period covered by the audit, CIDA did not conduct the mandatory monitoring required by PSC policies, nor did it have its own framework for doing so. After these observations were shared with the organization, CIDA adopted a monitoring framework that took effect on January 20, 2012.
- 10.21 We found that CIDA had a staffing file checklist to help ensure that it complied with the PSC's requirements to fully document appointments to support key decision points. However, CIDA was not able to provide important documentation in 17% (7 out of 40) of the appointments audited. These documents are intended to support key decision points and activities while demonstrating that the core and guiding values required in the appointment process are respected. Documents missing from CIDA's appointment files included assessment material, signed statements of persons participating in boards, proof of education and reasons for the selection of the appointee (right fit). **Refer to recommendation 3 at the end of this report.**
- 10.22 We found that information retained by CIDA on its appointment system and its individual appointment files was not always complete or reliable. For example, in order to establish our sample of 40 appointments, we had to consider 63 appointment files, 37% (23 out of 63) of which were improperly coded. The accuracy of the information in the HR database has an impact on the organization's ability to report information to sub-delegated officials and to the PSC. **Refer to recommendation 4 at the end of this report.**

Observations on compliance

Merit was not demonstrated in over half of the appointments audited

- 10.23 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.



10.24 We found that merit was met in 43% (17 out of 40) of the appointments we audited, not met in 5% (2 out of 40) of appointments and not demonstrated in 52% (21 out of 40) of appointments. The main causes of merit not being demonstrated were weaknesses in the assessment tools and assessment tools not being applied as intended. For example, in 19 out of the 21 appointments where merit was not demonstrated, not all of the essential qualifications were assessed and the organization was not able to provide sufficient information to conclude on merit. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated. **Refer to recommendation 1 at the end of this report.**

Guiding values were not adequately considered

- 10.25 The process of selecting and appointing a candidate must also respect the guiding values of fairness, access, transparency and representativeness. The appointment files must demonstrate that these values were respected throughout the appointment process.
- 10.26 Of our sample, 19 advertised appointments were audited. We found that the qualifications used for 13 of these appointments were not compliant with the PSC assessment policy, the assessment conducted within 12 processes was found to be inconsistent and the explanation for the appointee selection (right fit) was missing in 2 appointments. This puts the guiding values at risk.
- 10.27 Also, in 19 out of the 21 non-advertised appointments audited, we found that the guiding values were not demonstrated in the rationale for the use of a non-advertised process. This is an essential PSC requirement. **Refer to recommendation 3 at the end of this report.**

Persons with priority entitlements did not always receive proper consideration

- 10.28 The PSEA and the PSER provide an entitlement, for limited periods, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.
- 10.29 In our sample of 40 appointment files, 3 appointments did not require priority clearance, because these were appointments to reclassified positions. We found that, in 7 out of the 37 other appointments audited, the essential qualifications used to obtain priority clearance were not the same as those used to make the appointment decision. In addition, we found that, in 13 out of these 37 appointments, the tenure, linguistic profile or conditions of employment in the requests for priority clearance were not the same as those used to make the appointment decision. This discrepancy could have led to the screening out of a priority person who might have been qualified. In addition, we found that, in 4 out of these 37 appointments where a priority was referred, CIDA was not able to demonstrate that a priority person had been considered. **Refer to recommendation 5 at the end of this report.**



Recommendations

1. The President of the Canadian International Development Agency should ensure the implementation of effective control of the delegation process, approved and compliant staffing policies, sound support by human resources staff and clear guidance and effective staffing tools.
2. The President of the Canadian International Development Agency should ensure that staffing priorities and supporting strategies are established, communicated, monitored and adjusted, when required.
3. The President of the Canadian International Development Agency should ensure that sufficient documentation supports key decision points and activities while demonstrating that the core and guiding values have been respected for both advertised and non-advertised processes.
4. The President of the Canadian International Development Agency should strengthen its staffing management framework by applying effective control mechanisms at the appointment level to ensure that appointment decisions comply with the requirements of the Public Service Commission Appointment Framework and the organizational staffing management framework, and that they are accurately recorded in the organization's human resources databases.
5. The President of the Canadian International Development Agency should ensure that priority clearance requests contain accurate and complete information, and that sub-delegated officials give proper consideration to persons with priority entitlements before making an appointment.

Conclusion

- 10.30 The first objective of the audit was to determine whether CIDA had an appropriate framework, practices and systems in place to manage its appointment activities. Although CIDA had some elements of a framework in place, there were a number of weaknesses, particularly in key areas of sub-delegation, roles, responsibilities and accountabilities of HR staff in monitoring and providing the appropriate support to sub-delegated officials. Furthermore, we found that CIDA's appointment framework needed improvement to establish an effective control mechanism to monitor compliance of appointments and the integrity of staffing information.
- 10.31 The second objective was to determine whether appointments and appointment processes complied with the PSEA, the PSER, the PSC Appointment Framework and related organizational policies. We found that merit was met in 43% (17 out of 40) of the appointments we audited, not met in 5% (2 out of 40) of appointments and not demonstrated in 52% (21 out of 40) of appointments. The main causes of merit not being demonstrated were weaknesses in the assessment tools and assessment tools not being applied as intended. We found that, in the majority of the non-advertised appointments we audited, respect for the guiding values was not demonstrated.
- 10.32 During the audit, CIDA's HR corporate team worked to be responsive and acted on many of the audit observations in a constructive manner.

Action taken by the Public Service Commission

The PSC will monitor CIDA's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of CIDA.

Overall response by the Canadian International Development Agency

CIDA acknowledges the accuracy of the facts presented in this report, and is in agreement with the findings and recommendations presented. CIDA recognizes the requirement to enhance and more closely monitor its appointment framework, systems, and practices. CIDA has already developed a detailed action plan for addressing staffing challenges, and has updated it to reflect the Public Service Commission's (PSC) recommendations. Some recommended actions are already completed, and many others are in progress. This plan will be communicated to management, reinforced within CIDA's Human Resources community, and monitored regularly. The Agency has already made considerable effort to address the PSC's observations, and appreciates that this is noted in the report. CIDA is equally committed to addressing the PSC's recommendations.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	17 (43%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	2 (5%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	21 (52%)
Total appointments audited		40 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	3	18	13	7

Source: Audit and Data Services Branch, Public Service Commission

*In some cases, more than one reason applies to an appointment.



11

Audit of
Justice Canada



11 Audit of Justice Canada

- 11.1 This audit covers the Department of Justice Canada (JUS)'s appointment activities for the period between April 1, 2010, and March 31, 2011. The objectives of the audit were to determine whether JUS had an appropriate framework, practices and systems in place to manage its appointment activities, and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 11.2 JUS has the mandate to support the dual roles of the Minister of Justice and the Attorney General of Canada. First, it supports the Minister of Justice's responsibilities for 49 statutes and areas of federal law by ensuring a bilingual and bijural national legal framework. Second, JUS also supports the Attorney General as the chief law officer of the Crown, both in terms of the ongoing operations of government and the development of new policies, programs and services for Canadians to support the government's priorities. Specifically, JUS provides legal advice to the government and all federal departments and agencies, represents the Crown in civil litigation and before administrative tribunals, drafts legislation and responds to the other legal needs of federal departments and agencies.
- 11.3 In the 2010-2011 fiscal year, JUS had 5 155 full-time equivalents; 57% were working in the National Capital Region, while the remaining employees were distributed among six regional offices across Canada. Over one half of the organization's staff are lawyers (LA) who provide legal services to client departments and agencies. JUS carried out 775 appointments within the scope of this audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 45 appointments. This sample of 45 appointments provides an estimate of the population accurate within +/- 10%, 90% of the time, given a deviation rate of 20% or less. This sample is sufficient given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The *Public Service Employment Act* and the *Public Service Commission's* delegated authorities

A sub-delegation instrument was in place, but the application of sub-delegated authorities lacked effective control

- 11.4 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 11.5 In April 2010, the current deputy head of JUS signed an Appointment Delegation and Accountability Instrument with the PSC. The deputy head of JUS had full delegated appointment and appointment-related authorities during the period covered by our audit. We found that JUS had an official sub-delegation instrument authorizing sub-delegated officials to make appointments on the deputy head's behalf. This instrument is compliant with the PSC Appointment Framework. We also noted that the deputy head determined conditions that must be met for officials to be competent to exercise their appointment and appointment-related authorities prior to being sub-delegated. We found that sub-delegated managers met the identified requirements.
- 11.6 We expected letters of offer to be signed by a manager with the appropriate sub-delegation. We found that, in 7% (3 out of 45) of the appointments audited, letters of offer had been signed by three managers to whom the authority for that type of appointment had not been sub-delegated. This illustrates weaknesses in the control of the application of sub-delegated authorities.
Refer to recommendation 1 at the end of this report.

Appointment policies

Mandatory appointment policies and criteria were established

- 11.7 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 11.8 We found that JUS had established the mandatory appointment policies. We also noted that it had established other policies related to staffing, such as its *Acting Appointment Policy* and *Policy on Informal Discussion*. We found that all of these policies were compliant with the PSEA, the PSER and the PSC Appointment Framework. These were accessible to all employees on the JUS intranet site.



Planning for staffing

Staffing strategies supported planned staffing priorities

- 11.9 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 11.10 During the period covered by our audit, JUS identified two staffing priorities: increase the number of entry-level lawyers; and support the achievement of employment equity commitments. To support these priorities, three staffing strategies were established: recruit articling students through the Legal Excellence Program; recruit entry-level counsel through external processes; and recruit designated groups through external processes. We also noted that JUS employees were all informed of those organizational staffing priorities and strategies through the JUS intranet site.
- 11.11 We found that JUS monitored the staffing strategies through various reports, and that senior management was informed of the results. Based on these results, JUS did not make any adjustment to its staffing strategies for 2010-2011, as all of the objectives were met or about to be met.

Capacity to deliver

Roles, responsibilities and accountabilities were defined

- 11.12 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 11.13 We found that roles, responsibilities and accountabilities were defined, documented and communicated in organizational documents that were accessible on the JUS intranet site to hiring managers, human resources (HR) advisors and employees. We noted that sub-delegated managers had access to an HR advisor whose knowledge had been validated by the PSC. We also noted that sub-delegated managers are accountable for ensuring that appointments are compliant with legislative, regulatory and policy requirements.

Monitoring

The monitoring framework was not fully implemented

- 11.14 Organizational monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.



- 11.15 We found that JUS had a monitoring framework that includes action plans for monitoring activities and risks areas, as well as the frequency of these monitoring activities. One of the activities identified in the JUS monitoring framework was a review of appointment data in the organizational HR management system. We found that the organization provided reliable information on individual appointment processes through this system.
- 11.16 We also found that JUS proceeded with the mandatory monitoring outlined in PSC policies: acting appointments of over 12 months; appointments of casual workers to term or indeterminate status through non-advertised processes; appointments to the Executive group through non-advertised processes; use of the national area of selection; and use of the *Public Service Official Languages Exclusion Approval Order*, which provides for certain circumstances in which a person is excluded temporarily or permanently from meeting the official languages proficiency requirements of a bilingual position.
- 11.17 Another activity mentioned in the JUS monitoring framework was the cyclical monitoring of appointment files. However, we found that this activity had not occurred. By failing to conduct this planned monitoring activity, the organization could not identify and take corrective measures in a timely manner on risk areas or compliance issues.
- 11.18 As mentioned earlier, according to the JUS sub-delegation instrument, sub-delegated managers are accountable for ensuring that appointments are compliant with legislative, regulatory and policy requirements. According to the JUS monitoring framework, the Human Resources and Professional Development Directorate is responsible for monitoring the control of the application of organizational policies, the adherence to delegated authorities contained within the JUS sub-delegation instrument and the compliance with legislative, regulatory and policy requirements. We found that neither of these controls was effectively implemented, resulting in various compliance issues, as illustrated in the following paragraphs. **Refer to recommendation 2 at the end of this report.**

Observations on compliance

Merit was not demonstrated in over half of the appointments audited

- 11.19 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.
- 11.20 Our audit revealed that merit was met in 42% (19 out of 45) of the audited appointments. However, merit was not demonstrated in 58% (26 out of 45) of them. The main reason for merit not being demonstrated in appointments was that the organization was unable to provide documentation that supports merit. This documentation includes proof that the appointee met the greater of either the advertised education or qualification standards for appointments made through external processes, or assessment documentation for the person appointed. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated.



Priority persons did not always receive proper consideration

- 11.21 The PSEA and the PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment. We found that, in 9% (4 out of 45) of appointments, the essential qualifications used to obtain priority clearance were not the same as those used to make the appointment decision; in 7% (3 out of 45) of appointments, we have no evidence that priority persons were considered. These practices are contrary to PSC's requirements to consider priority persons and adversely affect the guiding values.

Some appointments were not consistent with the advertisement

- 11.22 As per the PSC Appointment Framework, to maximize flexibility, managers can make advertised appointments from a pool if the advertisement includes information clearly indicating how, by whom and for what occupational groups and/or levels the results of the collective appointment process may be used. These appointments must also be consistent with the information provided in the advertisement. Through our audit, we found seven appointments that were made from a pool for which the original advertisement did not indicate that such appointments would be made, or the appointment was made for a position for which the requirements were not similar to those of the advertised position. This puts the guiding values of fairness, access and transparency at risk.

Some assessment tools were not applied consistently

- 11.23 In 13 appointment processes, we found that the assessment tools were not consistently applied to all applicants/candidates at each step of the assessment process. For example some applicants were screened in even though they did not demonstrate the required experience in their application and some assessments were conducted based on criteria that were not advertised. This practice jeopardizes the guiding values of fairness and access.

Some appointment processes did not comply with organizational policies

- 11.24 In reviewing the compliance of appointment processes against organizational policies, our audit shows that, in 13% (6 out of 45) of appointment processes, at least one of JUS's own organizational policies was not respected. For instance, we found that the advertised area of selection or recourse did not comply with the organization's policy on area of selection, or that rationales for non-advertised processes did not demonstrate how the choice of process met the established organizational criteria.



Recommendations

1. The deputy head of the Department of Justice Canada should implement the necessary controls to ensure that all letters of offer are signed by sub-delegated managers.
2. The deputy head of the Department of Justice Canada should ensure that the organization implements its full staffing monitoring framework. This includes ensuring that appointment processes and related decisions are fully documented and are compliant with legislative, regulatory and policy requirements. Monitored results should also be reported to senior management for any necessary action.

Conclusion

- 11.25 We concluded that JUS had, with the exception of monitoring, all of the elements of an appropriate framework in place. We found that JUS had a compliant instrument for sub-delegating appointment authorities. We also found that JUS had established the mandatory appointment policies, which were compliant with the PSC Appointment Framework and accessible to all employees. We found that JUS had staffing strategies that supported staffing priorities. Finally, we found that roles, responsibilities and accountabilities were defined, but that JUS's own monitoring framework was not fully implemented and that attention to the accountability for staffing was required.
- 11.26 We found that merit was met in 42% (19 out of 45) of the audited appointments. Merit was not demonstrated in 58% (26 out of 45) of them. The main reason for this was that the organization was unable to provide documentation that supports merit, such as proof that the appointee met the greater of either the advertised education or qualification standards for appointments made through external processes, or assessment documentation for the person appointed. We also found situations where appointment processes presented other risks to the PSEA, the PSER, the PSC Appointment Framework and JUS's own appointment policies, such as priority persons not receiving proper consideration and assessment tools not being applied consistently.



Action taken by the Public Service Commission

The PSC will monitor JUS's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of JUS.

Overall response by Justice Canada

The Department of Justice Canada accepts the facts presented as accurate. The Department accepts the report's recommendations and is committed to addressing the issues raised in a timely manner. The Department is committed to strengthening the staffing regime to ensure compliance with staffing values and with legislative, regulatory and policy requirements.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	19 (42%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	26 (58%)
Total appointments audited		45 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	0	7	7	18

Source: Audit and Data Services Branch, Public Service Commission

* There are appointments for which more than one reason applies.



12

Audit of
Passport Canada



12 Audit of Passport Canada

- 12.1 This audit covers the appointment framework of Passport Canada (PPTC), a special operating agency of the Department of Foreign Affairs and International Trade Canada (DFAIT), for the period between January 1, 2011, and December 31, 2011, as well as the appointment activities conducted between January 1, 2011, and October 31, 2011. The objectives of this audit were to determine whether DFAIT had an appropriate framework, practices and systems in place for PPTC to manage its appointment activities and whether appointments and appointment processes conducted by PPTC complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 12.2 In 1990, PPTC became a federal special operating agency under DFAIT. The mandate of PPTC is defined by the *Canadian Passport Order* and covers the issuance, refusal to issue, revocation, withdrawal, recovery and use of Canadian passports. PPTC also provides guidance for missions issuing passports abroad and handles all matters relating to Canadian travel documents.
- 12.3 PPTC finances its operations entirely from the fees it charges for issuing passports and other travel documents. It must generate enough revenues to cover its expenses. Variances in numbers of passport applications and other travel documents has an impact on PPTC's financial resources and, consequently, on its human resources (HR) planning. PPTC has indicated that this fluctuating demand affects staffing and requires that the organization take a flexible approach to managing its workforce.
- 12.4 As at March 31, 2011, PPTC had 2 579 employees working at its Headquarters and in regional offices. As at June 30, 2011, 51% of PPTC employees were working in the National Capital Region. The Ontario Region employed the second largest number (23%). The remaining PPTC employees were distributed among other regions across the country. In 2010-2011, PPTC conducted 928 staffing activities. The majority of PPTC employees (88%) are in the Program and Administrative Services occupational group.
- 12.5 PPTC made 185 appointments within the scope of our audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 39 appointments. This sample of 39 appointments provides an estimate of the population accurate within +/- 10%, 90% of the time, given a deviation rate of 20% or less. This sample is sufficient, given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

An appropriate sub-delegation instrument was in place

- 12.6 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 12.7 The current Appointment Delegation and Accountability Instrument (ADAI), signed by the deputy head of DFAIT, came into effect on June 4, 2010.
- 12.8 The deputy head of DFAIT established a separate sub-delegation instrument for PPTC, which came into effect on April 4, 2007, and is compliant with the ADAI. The document describes the terms and conditions that must be met before authority can be sub-delegated, including mandatory training. The sub-delegation instrument is accessible to employees on PPTC's intranet site.
- 12.9 PPTC has established control mechanisms related to sub-delegation. The sub-delegation of appointment-related authorities is confirmed in writing by a letter signed by the deputy head of DFAIT. The terms and conditions to be met by officials prior to being sub-delegated are described in the sub-delegation instrument, including mandatory training requirements. PPTC keeps an up-to-date list of sub-delegated managers who meet the requirements for sub-delegation. We noted that, for all appointments audited (39 out of 39), the letter of offer was signed by a manager who had obtained the appropriate sub-delegation at the time of appointment.

Appointment policies

Mandatory appointment policies and criteria were in place

- 12.10 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 12.11 We found that the deputy head of DFAIT allowed PPTC to adopt its own mandatory appointment policies and criteria. These were accessible to employees on PPTC's intranet site.
- 12.12 We also found that the PPTC *Area of Selection Policy* did not clearly indicate that a national area of selection had to apply to all advertised external appointment processes. In the six appointments reviewed that were made through advertised external processes, we found that, despite this deficiency, the areas of selection complied with the requirements of PSC policies.



- 12.13 We also found that PPTC had not revised its *Choice of Appointment Process Policy* to include the guiding value of representativeness, as required by the PSC Appointment Framework. Our review of the eight appointments made through non-advertised processes found that each process included a written rationale. However, these rationales did not address all of the guiding values, including representativeness. We also noted that two of the eight justifications audited did not demonstrate that the process met the criteria that PPTC applied to these two non-advertised processes. **Refer to recommendation 1 at the end of this report.**
- 12.14 In December 2011, PPTC revised its appointment policies, which are now compliant with the PSC Appointment Framework. We noted that key HR stakeholders and union representatives at PPTC were consulted in the review of previous versions of the policies on area of selection and criteria for non-advertised processes, as well as the development of their new versions.

Planning for staffing

Staffing strategies were in place

- 12.15 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 12.16 PPTC developed and communicated its 2011-2012 Staffing Plan. This plan includes staffing strategies and is available on PPTC's intranet site. The strategies take into account staffing activities carried out for non-executive positions in all PPTC branches and include expected outcomes and performance indicators. We found that the PPTC's staffing priorities were supported by strategies outlined in the 2011-2012 Staffing Plan.
- 12.17 In October 2011, PPTC followed up on its 2011-2012 staffing strategies; the resulting information was incorporated into its 2011-2012 Staffing Plan. An analysis of the variances between expected and actual staffing results was planned for the end of the 2011-2012 fiscal year. PPTC plans to present the results of its analysis and its recommendations to the Internal Services Committee so that they can be taken into account in the establishment of its 2012-2013 staffing strategies.

Capacity to deliver

Roles and responsibilities were well defined and communicated

- 12.18 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 12.19 The roles, responsibilities and accountabilities for appointment-related authorities at PPTC are defined, documented and communicated. We found that PPTC's HR sub-delegation instrument described the roles and responsibilities of various stakeholders. PPTC has also developed an HR partnership guide to help managers better understand the staffing process. This guide defines the key HR functions and the roles and responsibilities of HR advisors and sub-delegated officials, as well as service standards for all staffing actions.

- 12.20 Sub-delegated officials at PPTC can consult an HR advisor whose expertise in the Appointment Framework has been validated by the PSC. We also found that mechanisms were in place to allow HR advisors at PPTC to pursue their professional development. These mechanisms include obtaining feedback on staffing files that were monitored and holding consultations with their supervisors.
- 12.21 During our review of appointments, we noted that HR advisors at PPTC provided written advice and guidance on staffing. More than half of the appointments audited indicated advice or guidance that was compliant with the PSC Appointment Framework.

Monitoring

Monitoring activities met PSC requirements

- 12.22 Organizational monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risks and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 12.23 We found that, through its Human Resources Committee, PPTC had conducted the mandatory monitoring required by the PSC policies: acting appointments over 12 months; appointments of casual workers to term or indeterminate status through non-advertised processes; appointments to the Executive group through non-advertised processes; use of the national area of selection; and use of the *Public Service Official Languages Exclusion Approval Order*, which provides for certain circumstances under which a person is excluded temporarily or permanently from meeting the official languages proficiency requirements of a bilingual position. We also noted that PPTC provided reliable information on its appointment system and processes.
- 12.24 PPTC also monitored staffing activities using a sample of appointments made to non-executive positions for the period from April 1, 2009, to September 30, 2010. In January 2011, PPTC prepared a staffing monitoring report. The results and recommendations arising from the report were presented to senior management. PPTC then prepared an action plan to develop and implement corrective measures in light of these results and recommendations. To follow up on this monitoring exercise, PPTC held information sessions for sub-delegated officials and HR advisors, informing them of the major improvements that needed to be made to staffing activities at PPTC.
- 12.25 In December 2011, PPTC prepared a summary document on the monitoring of key staffing areas, including the mandatory monitoring requirements set out in PSC policies. Also in December 2011, PPTC established a staffing monitoring framework that was made available to employees and posted on its intranet site. This framework includes a monitoring plan for the 2011-2012 fiscal year that establishes active monitoring priorities and an appendix that identifies monitoring activities and timelines. We were unable to verify the implementation of this framework, as it was established at the end of the period covered by this audit.



Observations on compliance

Merit was met in the majority of the appointments audited

- 12.26 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements and organizational needs established by the deputy head.
- 12.27 We found that merit was met in 79% (31 out of 39) of the appointments audited. However, it was not demonstrated in 21% (8 out of 39) of appointments. This is primarily due to assessments not conducted in accordance with the assessment tool. For example, in one appointment made through a non-advertised process, the narrative assessment did not demonstrate that the person appointed had the qualifications required. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated.

Certain essential qualifications were not the same in French and English

- 12.28 We found that, in 11 of the appointment processes audited, certain essential qualifications in the French and English versions of the statements of merit criteria were not the same. When certain merit criteria are communicated differently in each official language, the guiding values of fairness, access and transparency may not be respected, as the information about the appointment process is not the same for all the potential candidates.

Some assessment tools were not applied consistently to all applicants

- 12.29 We found that, in six appointment processes audited, the assessment tools were not consistently applied to all applicants at each step of the assessment process. In some of these appointment processes, applicants who had clearly demonstrated the required experience on their application were not screened in; however, other applicants were screened in even though they had not clearly demonstrated the required experience on their application. This practice jeopardizes the guiding values of fairness and access.

The notification of consideration did not always reflect the appointment decision

- 12.30 We found that, in 11 appointments audited, the asset qualifications, operational requirements and/or organizational needs used to make an appointment were not the same as those in the notification of consideration. For example, an asset qualification that was included in the notification of consideration was not taken into account in the appointment decision. This practice jeopardizes the guiding value of transparency because it does not provide persons concerned with accurate information on the appointment decision.



12.31 In our opinion, a mechanism to monitor ongoing appointment activities should be implemented in order to ensure that activities are subject to a critical review, in a timely way. This mechanism would allow the deficiencies indicated in the previous paragraphs to be identified and corrected. **Refer to recommendation 1 at the end of this report.**

Priority persons did not always receive proper consideration

- 12.32 The PSEA and PSER provide an entitlement, for a limited period, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment.
- 12.33 Priority persons were referred by the PSC in 59% (23 out of 39) of the appointments audited. In three of these appointments, the organization was unable to provide evidence to demonstrate whether the priorities had been considered. Moreover, in one appointment, a priority person was not considered.
- 12.34 We found that, in 15% (6 out of 39) of the appointments audited, the essential qualifications identified in the priority clearance request were not the same as those in the statement of merit criteria used for the appointment. In addition, in 54% (21 out of 39) of the appointments audited, the position number, linguistic profile and/or conditions of employment identified in the priority clearance request were not the same as those used to make the appointment. **Refer to recommendation 2 at the end of this report.**

Recommendations

1. The deputy head of the Department of Foreign Affairs and International Trade Canada should further strengthen its control mechanisms to monitor ongoing appointment activities, to ensure that activities are subject to a critical review, in a timely way. This would enable the deputy head to ensure that appointment decisions are based on accurate and complete documentation and comply with legislative, regulatory and policy requirements.
2. The deputy head of the Department of Foreign Affairs and International Trade Canada should ensure that each request for priority clearance includes accurate and complete information for each appointment. The deputy head should also ensure that priority persons have been given appropriate consideration and that information supporting the appointment decision has been well documented.



Conclusion

- 12.35 We concluded that an appropriate framework was in place for PPTC. An appropriate process for sub-delegating authorities and appointment policies and mandatory criteria were in place. We found that PPTC had elaborated staffing strategies to reflect the staffing priorities of senior management. The roles, responsibilities and accountabilities regarding appointment authorities were defined and communicated. We also found that PPTC had conducted the mandatory monitoring required by PSC policies, reviewed a sample of appointments and taken necessary corrective measures. Moreover, PPTC had established a staffing monitoring framework.
- 12.36 We found that merit was met in the majority of the appointments audited. Merit was met in 79% (31 out of 39) of the appointments; however, merit was not demonstrated in 21% (8 out of 39) of appointments. We also found that some appointment processes presented risks to the PSC Appointment Framework, the PSER and the PSEA. For example, in six appointment processes reviewed, assessment tools were not consistently applied to all applicants at each step of the assessment process. Moreover, we found that, in 15% (6 out of 39) of appointments, the essential qualifications identified in the priority clearance request were not the same as those in the statement of merit criteria used for the appointment. Finally, in three appointments, the organization was unable to provide evidence to demonstrate whether priority persons had been considered; furthermore, in one appointment, priority persons were not considered.



Action taken by the Public Service Commission

The PSC will monitor PPTC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of DFAIT.

Overall response by Passport Canada

After reviewing the audit report issued by the Public Service Commission of Canada, Passport Canada (PPTC) recognizes that the facts in the report are accurate and accepts the audit recommendations. Noting the findings in the report, Passport Canada undertakes to continue implementing best staffing practices in order to comply with PSC requirements.

The organization is committed to the principle that all staffing decisions must be merit based. It also adheres to the core values and the guiding values of fairness, transparency, access and representativeness, which should be the basis of all appointments and appointment-related decisions.

Moreover, PPTC has developed an action plan including some measures which have already been put in place and others that we will implement immediately to follow up on the audit recommendations. It should be noted that each of the findings leading to the two recommendations is subject to specific measures. This plan will be sent to the operational staffing employees in the Human Resources Branch, and to managers who have staffing sub-delegated authority.

Throughout the audit process, PPTC has implemented various mechanisms to support appointment-related decisions for the purpose of improving its staffing practices. Staffing guidelines have been updated and an internal staffing monitoring framework was established. The Agency will continue to monitor staffing activities in accordance with the monitoring framework and the PSC's requirements.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	31 (79%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	8 (21%)
Total appointments audited		39 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	0	1	7	1

Source: Audit and Data Services Branch, Public Service Commission

*In one case, more than one reason applies.



13

Audit of
Public Works and
Government
Services Canada



13 Audit of Public Works and Government Services Canada

- 13.1 This audit covers Public Works and Government Services Canada (PWGSC)'s appointment framework for the period from April 1, 2010, to December 31, 2011, and appointment activities for the period from April 1, 2010, to March 31, 2011. The objectives of the audit were to determine whether PWGSC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER), the Public Service Commission (PSC) Appointment Framework and related organizational appointment policies.
- 13.2 PWGSC plays an important role in the daily operations of the Government of Canada. It is the government's principal banker, accountant, central purchasing agent, linguistic authority, real property manager and enabler of access to government services on-line. It also provides services in the area of payroll and pensions, translation and communications. In support of its mission, PWGSC's efforts include 15 key operational and management priorities, ranging from military and major procurement and real property modernization to the greening of government and pay and pension administration transformation. The minister of PWGSC is the Receiver General for Canada and has the authority for the administration of services related to benefits, superannuation, pension plans and the disbursement of pay to federal employees.
- 13.3 The deputy head of PWGSC reported that the organization was working to streamline processes, increase collaboration and provide tools to support effective people management, which would also benefit its client service. It was also stated that the human resources (HR) infrastructure was being modernized through implementing common HR business processes, maximizing the use of collective staffing and implementing a new, streamlined policy suite and associated instruments.
- 13.4 The organization carried out 2 841 appointments within the scope of this audit. As part of our audit, we conducted interviews, analyzed relevant documentation and audited a representative sample of 45 appointments. This sample of 45 appointments provides an estimate of the population accurate within +/- 10%, 90% of the time, given a deviation rate of 20% or less. This sample is sufficient given that the objective was to provide an overall estimate of compliance.



Observations on the Appointment Framework

The Public Service Employment Act and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place, but the use of sub-delegated authorities was not effectively controlled

- 13.5 The PSEA provides the PSC with the authority to appoint employees in the public service. The PSC delegates its appointment authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and communicated across the organization.
- 13.6 PWGSC's deputy head signed an agreement called an Appointment Delegation and Accountability Instrument (ADAI) with the PSC to accept the delegation of staffing authority. The deputy head established a sub-delegation instrument that authorized sub-delegated officials to make appointments on behalf of the deputy head. This sub-delegation instrument and other departmental documents established roles, responsibilities and accountabilities for those officials involved in appointment processes. The instrument and associated documents were communicated and made accessible to employees on the departmental intranet. We also found that sub-delegated officials had access to an HR specialist whose knowledge had been validated by the PSC, through the Appointment Framework Knowledge Test.
- 13.7 PWGSC's deputy head established the conditions to be met for officials to exercise their appointment and appointment-related authorities prior to being sub-delegated. These conditions included the completion of mandatory training. An official who occupied a sub-delegated position, who had completed training and who met the other conditions of delegation could exercise staffing authority. Before exercising staffing authority, an official was also required, under the sub-delegation instrument, to consult with HR to obtain advice and guidance with respect to staffing.
- 13.8 We found weaknesses in the control of the use of sub-delegated authorities. HR staff was to verify that employees were identified in the departmental Human Resources Management System (HRMS) as meeting the conditions of sub-delegation before signing letters of offer. From a random sample of 28 officials who signed letters of offer, we found that 14% (4 out of 28) were not identified in HRMS as having met the deputy head's conditions for sub-delegation. This level of error indicates a problem with the controls over sub-delegation, and can result in some employees exercising appointment authority without being granted that authority. **Refer to recommendation 1 at the end of this report.**



Appointment policies

Mandatory appointment policies were in place and required only minor revisions

- 13.9 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, the PSER and the PSC Appointment Framework.
- 13.10 In April 2011, the deputy head of PWGSC updated the policies required by the PSC. In doing so, the deputy head addressed several deficiencies. We found that stakeholders were consulted in the development of the updated mandatory policies. Consultation was held with bargaining agent representatives, sub-delegated officials, HR advisors and management.

Planning for staffing

Staffing strategies were in place, but half were not measurable

- 13.11 Organizational staffing strategies describe planned organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing strategies to address the priorities of senior management. Organizational staffing strategies and priorities must be communicated, monitored and adjusted, when required.
- 13.12 The deputy head of PWGSC approved a 2009-2012 Integrated HR Plan that was communicated and made available to employees through the PWGSC intranet site. The plan identified two overall HR priorities. A third priority, placement of employees affected by strategic review, was identified after the approval and communication of the Integrated Human Resources Plan (IHRP). Only the second priority, Public Service Renewal, had specific strategies related to staffing. Of the six identified strategies for Public Service Renewal, three did not have measurable targets. We also found that one of the strategies that had measurable targets did not detail the approach for achieving these targets. Without measurable targets, it is difficult to come to a conclusion about the achievement of goals or the advancement of HR priorities.
- 13.13 We found that the reasons for change to some of the strategies' goals were not always clearly identified. Although there was evidence that some of the staffing strategies were tracked, such as the placement of affected employees, there was a lack of documented variance analysis. We found that PWGSC had adjusted goals, but it was not able to provide documentation as to why the adjustments were made. For example, PWGSC's Annual Report on Public Service Renewal stated a goal for post-secondary recruitment, but at mid-year the target was changed. Neither the report nor departmental officials could explain why this target was adjusted while others were not.
- 13.14 The deputy head of PWGSC established staffing strategies; however, half were not measurable. Those that were measurable were tracked, but the targets were adjusted without evidence of analysis. Insufficient monitoring and analysis of variance in staffing strategies may reduce the deputy head's ability to reach departmental HR priorities. **Refer to recommendation 2 at the end of this report.**



Capacity to deliver

Roles and responsibilities were clearly defined

- 13.15 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their responsibilities and have the support to carry out this role.
- 13.16 The deputy head of PWGSC established a sub-delegation instrument that clearly defines the roles, responsibilities and accountabilities of sub-delegated officials, heads of HR and HR advisors in relation to appointment and appointment-related authorities. These roles, responsibilities and accountabilities were communicated and made accessible to all employees.

Monitoring

Results of monitoring activities that were conducted were not utilized and corrective actions were not completed

- 13.17 Organizational monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify the need for early corrective action, manage and minimize risk and improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework and adjust practices accordingly.
- 13.18 We found that PWGSC established a monitoring reporting and review mechanism; however, it did not fully meet the mandatory PSC requirements. During the scope of the audit, monitoring was not done for non-advertised appointments of casuals to term or indeterminate, non-advertised appointments to and within the Executive group or national area of selection. During the course of the audit, PWGSC developed monitoring tools that ensure compliance with the minimum monitoring requirements. In March 2012, PWGSC provided the PSC with evidence that it had implemented all of the mandatory monitoring requirements.
- 13.19 We found that HR was responsible for the documentation of appointment files. The deputy head assigned to HR advisors the responsibility for providing oversight and ensuring compliance with the PSEA and related regulations and policies. This responsibility included documenting and validating files to ensure that they contain all relevant and required documents, and that decisions taken respect the acts, regulations, policies and public service values and ethics.
- 13.20 Monitoring of staffing activities was conducted, but the findings were not utilized and no corrective action was taken. We found that, in preparation for this audit, PWGSC conducted a monitoring exercise of staffing activities, designed to cover 100% of the departmental staffing files for the first three quarters of fiscal year 2010-2011, and 10% of the fourth quarter of the same year. Internal tracking documents of this exercise showed that, in certain branches, the file review had achieved 99% coverage. According to an internal October 2011 document, this also included completion of corrective actions.
- 13.21 We also found that a number of appointment files were reviewed during the PWGSC internal exercise and identified as requiring corrective action. However, contrary to internal reports on the monitoring exercise, we found that most corrective actions had not taken place. We found

screening board reports, assessment documents, priority clearance requests and advertisements that were incomplete or missing. For example, we found that, of the five Translation Bureau appointment files that we examined, four had had corrective action issues identified through the internal exercise; these were still outstanding at the time of our review.

- 13.22 We found no evidence of analysis of the information gathered as a result of this department-wide monitoring exercise. Issues were informally gathered by the reviewers and reported only to the HR Operations Sector. No common reporting format was used, so the trends identified were very general in nature. It was therefore difficult to identify the systemic issues that could have had an impact on the guiding values.
- 13.23 We also found that 40% (18 out of 45) of the appointments we reviewed had errors affecting the guiding values. For example, we found four files where the statement of merit criteria was either not identical in both official languages or showed differences between the advertisements and notifications posted. These errors were significant enough to create the potential for different expectations of the applicants based on their preferred official language.
- 13.24 Errors were also found in the use of the Priority Administration system by PWGSC. The PSEA and the PSER provide an entitlement, for limited periods, for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements, and must also obtain a priority clearance from the PSC before making an appointment. In five cases, the statement of merit criteria and the priority clearance request had inconsistencies in tenure, position number, group and level, linguistic profile or conditions of employment. These errors could eliminate a person who otherwise met the qualifications for the position.
- 13.25 We also found four appointment files where the reasons for the appointment decisions (right fit) were not compliant with the PSC Appointment Framework. These errors result in documentation that does not demonstrate how an appointee was selected for a position from among a number of qualified candidates.
- 13.26 PWGSC did not fully utilize the information available through its various monitoring activities and, in some cases, failed to take action to correct issues found. Our review of staffing processes also confirmed that a number of issues and errors were found which had an impact on the guiding values. The lack of follow-up on monitoring activities may put the integrity of appointments at risk by not respecting the guiding values. **Refer to recommendation 3 at the end of this report.**

Observations on compliance

Merit was met in the majority of appointments, but weak or misused assessment tools were the main cause of merit not demonstrated

- 13.27 The PSEA establishes that all appointments must be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any other asset qualifications, operational requirements or organizational needs established by the deputy head.

13.28 Candidates may be assessed during appointment processes through assessment tools, such as reviewing curriculum vitae against mandatory criteria, structured interviews and written tests. We found that merit was met in 76% (34 out of 45), and not met in 4% (2 out of 45), of the appointments we audited. However, merit was not demonstrated in 20% (9 out of 45) of the appointments audited. For the appointments for which merit was not demonstrated, the main reason was that assessment tools did not assess all the merit criteria or the assessment was not applied as per the tool. **Table 1** provides a summary of our observations concerning merit for the appointments audited. **Table 2** provides a further breakdown of the reasons for which merit was not demonstrated.

Assessment tools not consistently applied impacted the guiding values

13.29 We found that the use of assessment tools was not consistently applied to the applicants or the application of the tools was not sufficiently documented in 42% (19 out of 45) of the appointment files. For example, some applicants who demonstrated in their application that they met the required experience qualifications were eliminated from the process; others were allowed to continue to the next step, even though their application did not demonstrate the required experience. These practices jeopardize the guiding values of fairness and access.

Most non-advertised rationales did not demonstrate compliance with the guiding values

13.30 Non-advertised appointments are made when persons in the area of selection are not informed of the opportunity to apply for a position. When deciding to use a non-advertised process, a sub-delegated official must write a rationale that demonstrates how the process meets the four guiding values. We found that all 10 of the non-advertised appointment processes we examined had a rationale on file; however, only 4 of the 10 non-advertised appointment processes had rationales that addressed all of the guiding values. The remaining six processes did not comply with the PSC *Choice of Appointment Policy* requirements for this type of appointment.

Sub-delegated officials were responsible for appointment decisions, including the use of assessment tools and non-advertised rationales

13.31 The conditions for exercising sub-delegated authority included that officials respect the core appointment values and the guiding values, and ensure that the appointment decisions adhere to the requirements of the PSEA and any other applicable PSC and organizational policies. The deputy head established that the sub-delegated officials were to consult with HR specialists during the conduct of appointment processes, and review their advice. Accordingly, the sub-delegated officials remained responsible for the final decision on behalf of the deputy head.

13.32 The deputy head made the sub-delegated officials responsible for the appointment processes, with consultation from HR. The compliance issues with the values indicate that the sub-delegated officials need to improve their understanding of the values and consult with HR throughout the appointment process. **Refer to recommendation 4 at the end of this report.**



Recommendations

1. The deputy head of Public Works and Government Services Canada should improve the existing control mechanism to ensure that an official has met all of the requirements set out by the deputy head before exercising staffing authority.
2. The deputy head of Public Works and Government Services Canada should ensure that staffing strategies are measurable, have an approach for meeting goals and document the analysis of the results when making adjustments.
3. The deputy head of Public Works and Government Services Canada should ensure that active monitoring of staffing activities takes place, results of the monitoring are analyzed and adjustments to activities are made to correct systemic issues found.
4. The deputy head of Public Works and Government Services Canada should ensure that sub-delegated officials consult with human resources throughout the appointment process in order to ensure that the process meets the established appointment values and that the assessment tools demonstrate that the person appointed meets the identified merit criteria.

Conclusion

- 13.33 We concluded that PWGSC had an Appointment Framework in place that needed improvement. We found that the deputy head of PWGSC had established a sub-delegation instrument; however, the controls over the process were inadequate. We found that appropriate policies were in place and required only minor modification. The deputy head established staffing strategies; however, half of the strategies were not measurable, and those which were did not show the analysis of the results and changes made to the objectives. Active monitoring of staffing activities was conducted; however, the issues found from this effort were not addressed.
- 13.34 We found that most appointments and appointments processes complied with the PSEA, the PSER and the PSC Appointment Framework. Although the majority of appointments we reviewed met merit, 20% of them did not demonstrate merit. We found that almost half of the appointments we reviewed had weaknesses in the demonstration of the guiding values. We noted that deficiencies in assessment tools and errors in appointment processes had an impact on the values.



Action taken by the Public Service Commission

The PSC will monitor the PWGSC follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report; as a result, the PSC has decided not to amend the existing delegation agreement with the deputy head of PWGSC.

Overall response by Public Works and Government Services Canada

Public Works and Government Services Canada (PWGSC) welcomes the Public Service Commission's (PSC) findings and recommendations. PWGSC recognizes oversight activities as opportunities to improve our management practices. The Department remains committed to managing appointment processes in accordance with the PSEA, its core values of merit and non-partisanship, and the PSEA's guiding values of fairness, transparency, access and representativeness.

PWGSC appreciates the PSC's acknowledgement that the Department has implemented an appointment framework that is compliant, a sub-delegation instrument is in place, mandatory appointment policies are updated, mechanisms are in place to support appointment-related decisions, staffing checklists are valid, and mandatory monitoring is now completed. The Department works hard to continually improve its staffing practices and the PSC's recommendations will further guide these efforts. A cornerstone of PWGSC's approach to HR management is the Department's suite of policies and directives launched with the new streamlined and user-friendly People Management Policy Suite in April 2011.

The PSC's staffing audit coincided with PWGSC's implementation of Strategic Review, a significant exercise that led to a shift in PWGSC staffing strategies. PWGSC made the placement of affected employees the business of the organization and the main staffing priority. In fact, nearly 95% of all employees affected over the two year Strategic Review exercise have been placed. PWGSC's Integrated Human Resources Management Plan for 2012-2015 was communicated to all employees in May 2012, providing further clarity on the organization's staffing strategies going forward.

PWGSC has developed a comprehensive Management Action Plan that addresses the recommendations outlined in this report. Most measures have already been implemented and all remaining actions will be implemented by March 2013. Senior management took immediate, decisive action to address the concerns raised in this audit as soon as they were identified by the PSC Audit Team, and is fully engaged in implementing the report's recommendations.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	34 (76%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	2 (4%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	9 (20%)
Total appointments audited		45 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not demonstrated

Merit was not demonstrated	Reasons for merit not demonstrated*			
	No assessment performed	Assessment tool did not evaluate all of the appointment criteria	Assessment was not applied as per tool	Organization was unable to provide documentation that supports merit
Total	0	5	4	3

Source: Audit and Data Services Branch, Public Service Commission

*In some cases, more than one reason applies to an appointment.



14

Follow-up audit of
Infrastructure
Canada



14 Follow-up audit of Infrastructure Canada

Background

- 14.1 Infrastructure Canada was established in August 2002 as the Office of Infrastructure of Canada. The organization is responsible for federal efforts to enhance Canada's public infrastructure through strategic investments, key partnerships, sound policies and practical research. As a focal point for infrastructure issues and programs, the organization is also a centre of federal infrastructure expertise and a key funding partner for cities, communities and regions across Canada. Following the economic downturn, Infrastructure Canada also took a leading role in implementing Canada's Economic Action Plan. This is in addition to the organization's responsibilities for Building Canada, the Government of Canada's \$33 billion infrastructure plan.
- 14.2 The Public Service Commission (PSC) conducted a staffing audit of Infrastructure Canada, which was tabled in Parliament in October 2009. The report noted that Infrastructure Canada did not have adequate systems and practices in place to manage its appointment activities. The report also found that the tools and methods used to assess candidate qualifications were inadequate in many cases, which led to evaluations that were insufficient to demonstrate merit. The PSC made six recommendations to address these deficiencies.
- 14.3 The PSC also placed the following conditions on the delegation of appointment authorities at Infrastructure Canada:
- ▶ Submit semi-annual reports to the PSC, one being through their Departmental Staffing Accountability Report (DSAR), on the implementation of the recommendations identified in the audit and on staffing activities at Infrastructure Canada; and
 - ▶ Submit all documentation and minutes of Infrastructure Canada's People Management Committee (PMC) related to staffing as soon as possible after each meeting.
- 14.4 Infrastructure Canada monitored the implementation of the audit recommendations through monthly PMC meetings, the DSAR for 2009-2010 and 2010-2011, the Semi-Annual Report of October 2010, and through a formal appointment review exercise.

Purpose and methodology of the follow-up audit

- 14.5 In its *Audit and Studies Plan for 2010 to 2012*, the PSC identified Infrastructure Canada for a follow-up audit. The objective of this audit was to determine whether Infrastructure Canada had implemented corrective actions that adequately addressed the recommendations from the PSC's audit report of October 2009. The follow-up audit covered the period from April 1, 2010, to June 30, 2011.



- 14.6 A purposeful audit sample of 11 appointments was taken from the total appointments carried out by Infrastructure Canada from April 1, 2010, to June 30, 2011. Appointments in our sample included external indeterminate and internal indeterminate and term appointments (both advertised and non-advertised). We excluded the following types of appointments and staffing actions: actings, deployments, student bridgings and promotions within the Economics and Social Science Services (EC) and Personnel Administration Development Programs. The sample provided qualitative information regarding the recommendations put forth in the 2009 PSC audit of Infrastructure Canada.
- 14.7 A purposeful sampling was used in this audit follow-up report to gather information-rich cases to provide qualitative information that could be used to describe the appointment process and to assess the progress made regarding the implementation of controls. The intention of using this sampling method was not to provide a representative compliance test of the appointment process, but to gain insight regarding the implementation of the recommendations from our audit report of 2009. For more details about our methodology, refer to the section entitled **Overview of audit approach** at the end of this publication.

Observations

- 14.8 This section of the report presents the six recommendations found in the 2009 PSC audit report on Infrastructure Canada, followed by our findings on the implementation of these recommendations.

Infrastructure Canada implemented an integrated Human Resources Plan

- 14.9 The first recommendation stated the following:

The Deputy Head of Infrastructure Canada should implement an integrated human resources (HR) plan that will provide direction to managers and HR professionals on how to make decisions concerning their staffing activities, by outlining the department's staffing priorities and providing a framework to guide decisions on when and how to staff positions, based on the Public Service Employment Act (PSEA).

- 14.10 We found that Infrastructure Canada adequately addressed this recommendation by establishing an Integrated Business and Human Resources Plan (IBHRP) that identified organizational staffing priorities, strategies and performance measurements and provided direction to managers and HR professionals. The plan illustrated strategy-specific activities that were to be implemented throughout the fiscal year.
- 14.11 In addition, branch-specific strategies within the IBHRP were identified and incorporated into branch HR plans. The branch HR plans and the IBHRP provided guidance to managers making decisions concerning staffing activities.
- 14.12 The IBHRP and the branch HR plans were communicated to all employees through the organization's intranet site.



Infrastructure Canada monitored the implementation of the Human Resources Plan

14.13 The second recommendation stated the following:

The Deputy Head of Infrastructure Canada should monitor the implementation of the HR plan. This includes collecting information to ensure appropriate use of appointment processes and making adjustments, as required, to achieve the plan's objectives.

14.14 We found that Infrastructure Canada adequately addressed this recommendation by establishing a clear and structured implementation plan that identified specific staffing activities to address the organization's current and future needs.

14.15 Infrastructure Canada established the PMC, comprised of senior management, to oversee the development and implementation of the IBHRP. The PMC monitored the implementation of the IBHRP during its monthly meetings by reviewing status reports and HR indicators, reviewing and approving high-risk staffing appointment requests, discussing HR-related issues brought forward by the branches and receiving updates on staffing file reviews and electronic staffing data reviews.

14.16 The PMC discussed and updated the IBHRP annually since 2009 and ensured that the organization's priorities were aligned with government-wide priorities. The IBHRP Implementation Plan was updated during the scope of this audit and illustrated that most activities had been completed.

14.17 Infrastructure Canada implemented a Human Resources Information System to capture information and generate quarterly reports for senior management using HR indicators. The HR indicators that summarized staffing activities, including high-risk staffing appointments, were reviewed by the PMC and were used to update the IBHRP for 2010-2013.

Sub-delegated managers had the required authorities and competencies

14.18 The third recommendation stated the following:

The Deputy Head of Infrastructure Canada should demonstrate that sub-delegated managers have the required authority and competencies prior to exercising their appointment and appointment related authorities.

14.19 We found that Infrastructure Canada adequately addressed this recommendation by ensuring that all sub-delegated managers completed the mandatory training prior to exercising their appointment and appointment-related authorities, as established by the deputy head. In addition, the deputy head introduced additional mandatory training on staffing to ensure that managers remain competent to exercise their appointment-related authorities. Infrastructure Canada's modified tracking system for sub-delegation includes the effective date for each manager.

14.20 As a follow-up to the mandatory training on sub-delegation, sub-delegated managers at Infrastructure Canada received continuous learning on staffing throughout the appointment process, as well as customized sessions upon request.



- 14.21 Infrastructure Canada had an official written sub-delegation instrument, and its sub-delegation authorities were in accordance with the Appointment Delegation and Accountability Instrument. The sub-delegation instrument defined the roles, responsibilities and levels of sub-delegation for staffing.
- 14.22 Sub-delegated managers formally accepted their staffing delegation in writing after acquiring the mandatory training. Infrastructure Canada's sub-delegated managers re-sign their acceptance of sub-delegated authority on an annual basis.

The use of non-advertised appointment processes was appropriate

- 14.23 The fourth recommendation stipulated the following:

The Deputy Head of Infrastructure Canada should demonstrate how the use of a non-advertised appointment process meets the department's established criteria and the appointment values and is consistent with the department's HR plan.

- 14.24 We found that Infrastructure Canada adequately addressed this recommendation by implementing consistent monitoring of non-advertised appointment processes. Appointments made through a non-advertised process were accompanied by a written rationale that demonstrated how the choice of process met the organization's established non-advertised criteria and the appointment values.
- 14.25 All requests for non-advertised appointment processes required approval from either the PMC or the director general of human resources, with the support of each respective branch's assistant deputy minister, depending on the type of appointment. In addition, the HR advisor reviewed each request and included advice in the submission for approval.
- 14.26 From our sampling of non-advertised appointment processes reviewed, we found that managers demonstrated how the staffing action was linked to the organizational IBHRP, met the organizational criteria for non-advertised appointments and met the appointment values.

The appointment process was strengthened to ensure that merit was met

- 14.27 The fifth recommendation indicated the following:

The Deputy Head of Infrastructure Canada should demonstrate that appointments are based on merit. This includes demonstrating that assessment tools and methods fully and fairly assess essential qualifications and other identified merit criteria.

- 14.28 We found that Infrastructure Canada adequately addressed this recommendation by establishing and implementing controls that, when followed, would ensure that appointments were based on merit. We found that the controls established were followed as intended.
- 14.29 In 2009, we reported that many assessments were insufficient to demonstrate merit, that the tools and methods did not evaluate all of the position requirements and that some qualification standards in relation to educational requirements were not interpreted correctly.



- 14.30 Infrastructure Canada implemented new and revised tools, such as HR request forms, a staffing checklist, non-advertised rationale templates and an EC Qualification Standard. These were developed to support sub-delegated managers and improve the quality and consistency of HR practices. Infrastructure Canada also ensured that HR advisors conducted ongoing file reviews for completeness, including documents related to qualification standards and the merit of non-advertised appointments.
- 14.31 We tested these controls through our purposeful sample of appointments and concluded that all of the appointments in our sample followed the established departmental controls. We also found that the appointments were based on merit, as expected. From the review of 11 appointment files, we found that the statement of merit criteria (SOMC) related to the work to be performed by the incumbent and the education criteria was consistent with the Treasury Board of Canada Secretariat's Qualification Standards. Moreover, for EC appointments, an EC Qualification Standard Justification was included on file.

Appropriate quality control measures were in place

- 14.32 The sixth recommendation stated the following:

The Deputy Head of Infrastructure Canada should demonstrate that appropriate quality control measures are in place to ensure appointments and related decisions adhere to the requirements of the PSEA, the Public Service Employment Regulations (PSER) and other governing authorities and that corrective action is taken when required

- 14.33 We found that Infrastructure Canada has adequately addressed the recommendation by developing a Client Service Delivery Model and an approval system for high-risk staffing actions to ensure compliance with legislation, policies and procedures and the appointment values of merit, fairness, access, transparency and representativeness.
- 14.34 HR advisors assumed an active role at each stage of the appointment process, such as preparing SOMCs, screening applications, developing assessment tools, administering exams, participating on all interview boards and conducting reference checks, to help sub-delegated managers to ensure that the methods and tools fully and fairly assessed the essential qualifications and other identified merit criteria.
- 14.35 During our file review, we noted that the Master Staffing Checklist was used by HR advisors as a control measure to ensure that all documentation was on file and that each step of the staffing process was followed prior to an appointment being made.
- 14.36 Infrastructure Canada used a judgmental sample to conduct a review of 20 appointment files. In addition, the organization conducted a review of Human Resources Information System data for a period of one year. The results of these monitoring exercises were shared through training sessions with the HR advisors and HR assistants.
- 14.37 Infrastructure Canada increased the oversight function within the HR division by separating the corporate HR roles and responsibilities from the operational ones. The Operations Unit performed ongoing monitoring of staffing actions, and the Corporate Unit conducted an analysis of staffing patterns and identified risks and systemic issues to be addressed.

14.38 During the scope of this audit, Infrastructure Canada developed a monitoring framework that was approved by the PMC and a monitoring plan identifying activities to be performed over a period of two calendar years.

Conclusion

14.39 Infrastructure Canada has made substantial progress since the initial 2009 PSC Audit Report. We can therefore conclude that the organization has adequately addressed the report's six recommendations. Infrastructure Canada has put in place additional systems and practices to ensure that staffing activities and related decisions adhere to the requirements of the PSEA, the PSER and other governing authorities, including the PSC Appointment Framework.



Action taken by the Public Service Commission

As a result of this follow-up audit, the PSC has removed the additional terms and conditions to delegation that it imposed in 2009. The deputy minister of Infrastructure Canada has signed a new standard Appointment Delegation and Accountability Instrument.



15

Follow-up audit of
Health Canada



15 Follow-up audit of Health Canada

Background

- 15.1 Health Canada (HC) is the federal department responsible for helping the people of Canada maintain and improve their health. The department is committed to improving the lives of all Canadians and to making this country's population among the healthiest in the world, as measured by longevity, lifestyle and effective use of the public health care system. To carry out this responsibility, HC supports activities that preserve and modernize Canada's health care system, enhance and protect the health of Canadians, work in partnership with others and communicate health promotion and disease prevention.
- 15.2 The Public Service Commission (PSC) conducted a staffing audit of HC and tabled the report in Parliament in October 2009. The audit found that, despite having most of the elements of a framework in place to manage its appointment activities, including a monitoring plan, HC did not track and monitor the overall performance of its appointment-related authorities. Further, the PSC found that most appointments and appointment processes reviewed did not comply with the *Public Service Employment Act*, the guiding values or the PSC Appointment Framework. The audit report made three recommendations to address these deficiencies.
- 15.3 As a result of the 2009 audit, HC's Appointment Delegation and Accountability Instrument (ADAI) was modified to include the conditions imposed by the PSC. The PSC required HC to provide semi-annual reports, including its Departmental Staffing Accountability Report (DSAR), on the implementation of the recommendations identified in the audit. In August 2011, the PSC removed the additional conditions to delegation that it had imposed on HC in 2009. Also in August 2011, the deputy head of HC signed a new standard ADAI with the PSC. This was as a result of the progress HC had made in the overall 2010-2011 Staffing Management Accountability Framework (SMAF) assessment, where it obtained a rating of "strong." The PSC decided to proceed with a follow-up audit to further validate its decision to remove the conditions.

Purpose and methodology of the follow-up audit

- 15.4 HC was identified for a follow-up audit in the PSC *Audit and Studies Plan for 2010 to 2012*. The purpose of this follow-up audit was to determine whether HC had adequately responded to the three recommendations made in the audit report published by the PSC in October 2009. The current follow-up audit covered the period from January 1 to June 30, 2011.
- 15.5 Follow-up audit activities consisted of interviews with human resources (HR) advisors and entity managers involved in hiring activities, as well as any other parties identified as having relevant information. In addition, we reviewed HC's documentation of plans, policies, programs, processes and reports. Finally, we reviewed a purposeful sample of 15 appointment files to assess the progress made regarding the implementation of controls. The sample included internal and external, indeterminate and term appointments (both advertised and non-advertised). We excluded the following types of appointments and staffing actions: actings, reclassifications, deployments,



student hiring and bridgings, casuals, secondments, assignments and Special Assignment Pay Plans. The intention of this sampling method was to gain insight into the implementation of the recommendations. For more details about our methodology, refer to the section entitled **Overview of audit approach** at the end of this publication.

Observations

- 15.6 This section presents each of the three recommendations made in the 2009 PSC audit report on HC, followed by our findings related to their implementation.

Health Canada has strengthened its appointment tools

- 15.7 The first recommendation stipulated the following:

In order to ensure that appointments are based on merit, the deputy head must ensure that:

- ▶ *Assessment tools and methods fully and fairly assess essential qualifications and other identified merit criteria.*
- ▶ *Rationales for non-advertised appointments address the guiding values of fairness, transparency, access and representativeness.*
- ▶ *Appointments and appointment-related decisions are fully documented.*

- 15.8 In the 2009 PSC audit report on HC, we reported that many appointments either did not meet or did not demonstrate merit. This was either because the appointee did not meet all of the essential qualifications listed in the statement of merit criteria, or that there was no clear link between the qualifications and the assessment, or there was no assessment found in the appointment file. In addition, we reported that most of the non-advertised appointments reviewed did not respect the PSC *Choice of Appointment Process Policy*, as there were either no rationales on file, or the rationales did not address the organizational criteria or the guiding values.

- 15.9 We found that the deputy head of HC had adequately addressed this recommendation by establishing controls that, when applied adequately by sub-delegated managers and HR advisors, would ensure that appointments and appointment-related decisions are based on merit, address the guiding values and are fully documented.

Health Canada's tools, when applied adequately, fully and fairly assessed all identified merit criteria

- 15.10 We found that, in order to ensure that appointments were based on merit, HC had developed a suite of staffing tools and forms for both sub-delegated managers and HR advisors. These included templates for rationales, rating guides, staffing checklists and forms. A guide was introduced on choice of appointment process that included probing questions. These allowed sub-delegated managers and HR advisors to address many of the issues that need to be considered when choosing a non-advertised appointment process. HC also offered training



sessions to sub-delegated managers and HR advisors as a means of implementing and supporting the use of these various tools, and to further ensure that they understood their roles and responsibilities with regard to staffing.

- 15.11 We found that the deputy head of HC had adequately responded to this recommendation, and that appointments were based on merit when these tools were applied adequately. In a few of the appointments we reviewed, merit could not be demonstrated because the assessment tools used did not fully assess one or more of the merit criteria. We found that, although these control mechanisms ensured completeness of appointment files, they did not always ensure that required documentation was comprehensive enough to support appointment decisions.

Rationales for non-advertised appointments were developed to address the guiding values

- 15.12 We found that the deputy head of HC had adequately addressed this recommendation by implementing numerous strategies and tools to assist sub-delegated managers and HR advisors in addressing the guiding values when conducting a non-advertised appointment process. Methods such as templates for rationales and learning sessions on writing rationales, as well as the development of a guide for creating rationales, were implemented in response to the recommendations made in the 2009 audit report. These tools provided guidance and direction to sub-delegated managers in preparing their rationales.
- 15.13 Our review of appointment files revealed that HC had demonstrated improvement in making appointments through non-advertised appointment processes. We found rationales on file that addressed the established organizational criteria and the guiding values in each of the non-advertised appointment processes that we reviewed.

Appointments and appointment-related decisions were fully documented

- 15.14 We found that the deputy head of HC had ensured that appointments and appointment-related decisions were fully documented by implementing mandatory checklists for advertised and non-advertised processes consistent with the PSC Appointment Framework. As an additional control measure to ensure completeness and accuracy, HC requires that, once the staffing checklist is completed, it is then signed off by the HR advisor, the HR assistant, the work flow co-ordinator and the sub-delegated manager, and is placed in each staffing file. An additional checklist was provided by HR to sub-delegated managers who were undertaking a staffing process, to help them complete the necessary documentation required to ensure that appointment-related decisions have been fully documented.
- 15.15 We tested these controls through our review of appointment processes and concluded that the controls were fully documented to support appointment-related decisions.



Investigations of internal appointments were conducted

15.16 The second recommendation indicated the following:

The deputy head of Health Canada must investigate the internal appointments we reviewed during the audit that were not made on the basis of merit, and where there is no demonstration that the person appointed met the essential qualifications.

15.17 We found that the deputy head of HC had adequately addressed this recommendation. HC asked the PSC to investigate the five internal appointments reviewed during the course of the 2009 audit that had not been made on the basis of merit, or where there had been no demonstration that the person appointed met all of the essential qualifications. Following the PSC's investigation, HC applied the corrective measures recommended by the PSC, reassessed each appointee against the statement of merit criteria of their position and ensured that written evaluations clearly indicated how each essential qualification was met.

Monitoring and control mechanisms have been implemented

15.18 The third recommendation stated the following:

The deputy head of Health Canada must put in place a management control system for appointment-related decisions to ensure that:

- ▶ *Monitoring activities are carried out, address high-risk areas and inform decision-makers of necessary corrective actions.*
- ▶ *Information on appointments is accurate and reliable.*
- ▶ *Human resources advisors exercise and document their challenge function.*

15.19 We found that HC had adequately addressed the recommendation by implementing a Staffing Monitoring Framework that addresses the high-risk areas. We noted that the framework included control mechanisms to monitor the compliance of appointments and the accuracy of documentation. The framework also outlined the roles and responsibilities of HR advisors in order to provide client service expertise, ensuring that sub-delegated managers can make informed decisions. HC's HR advisors are also responsible for providing advice and guidance to sub-delegated managers to ensure effective, fair and transparent staffing activities.

Monitoring activities were carried out

15.20 We found that HC's Staffing Monitoring Framework included monitoring high-risk staffing activities, such as acting appointments over 12 months, Executive (EX) appointments through non-advertised processes and term/indeterminate appointments through non-advertised processes, including previous casual employment. These high-risk areas were monitored and analyzed to ensure that departmental monitoring goals were achieved; the results were reported, along with next steps/corrective measures, to the relevant stakeholders, including HR operations, managers and senior management.



- 15.21 Since the 2009 PSC audit report, HC has conducted four rounds of monitoring, including a review of appointments selected from non-advertised and advertised processes. Given that the results of the first two rounds of monitoring continued to show deficiencies in the application of organizational criteria and guiding values for non-advertised processes, HC amended the rationale template and provided sub-delegated managers with learning sessions on writing rationales.
- 15.22 As a further corrective measure, the deputy head of HC issued a memorandum to sub-delegated managers advising them that, since there had been little improvement demonstrated on the internal monitoring of staffing files, the 2010-2011 EX Performance Management Agreements would include performance measures assessing whether managers' hiring decisions respected the staffing values, were fully documented, included sound rationales and were based on integrated HR and business planning. We found that HC's EXs were measured against these performance criteria during the 2010-2011 performance management review period.

Information on appointments was accurate and reliable

- 15.23 In 2009, the PSC reported that HC's HR information system was not accurate, and that more than half of the selected appointment processes contained data errors. The data fields that contained the most errors were appointment process type, appointment date and employee classification.
- 15.24 Our review of appointments revealed that HC demonstrated improvements in ensuring that information on appointments is accurate and reliable. The deputy head of HC addressed this recommendation by implementing a new HR information management system in the fall of 2011. As part of the implementation strategy, HC reviewed and corrected its current HR system prior to the migration of data to the new database. In addition, further control mechanisms were established, such as re-formatting the coding list, adding clear sub-categories of appointments and reminding HR assistants to pay closer attention to data entry.
- 15.25 As indicated previously, a purposeful sample of 15 appointments was audited from the total appointment population carried out by HC from January 1 to June 30, 2011. Our examination of these appointments and appointment-related decisions indicated that HC's HR data were accurate and supported the information found in the appointment files.

Human resources advisors exercised and documented their advice and guidance

- 15.26 We found that HC had provided their HR advisors with the necessary tools and support to exercise their advisory function. Following the 2009 audit, HC offered HR advisors a mandatory compliance workshop reminding them to exercise and document their advice and guidance to sub-delegated managers. We found that the workshop outlined the importance of escalating an issue, should there be a discrepancy between the HR advisor's advice and the decision of the sub-delegated manager, on a case-by-case basis. HC's deputy head also sent e-mails to HC's sub-delegated managers reminding them of the HR advisors' roles and that they should seek the support of HR advisors when making their appointment-related decisions.



15.27 During the follow-up audit, we found that HC's HR advisors provided advice and guidance to sub-delegated managers and advised them on their rationales, including the choice of appointment process when conducting a non-advertised appointment process. Our review of appointments and appointment-related decisions indicated that HR advisors were documenting their advice and guidance to sub-delegated managers.

Conclusion

15.28 In October 2009, the PSC tabled an audit report in Parliament on staffing practices at HC. The audit report outlined three recommendations to address HC's staffing deficiencies. Following the audit, the PSC also imposed conditions on the delegation of staffing authorities at HC. In August 2011, as a result of the progress HC made in the overall 2010-2011 SMAF assessment where it obtained a rating of "strong," the PSC removed the conditions imposed on HC and the deputy head of HC signed a standard ADAI.

15.29 The current follow-up audit examined whether the deputy head of HC had adequately responded to the three audit recommendations made in the PSC audit report of October 2009. Our follow-up audit revealed that the deputy head of HC has adequately responded to the three recommendations made in the PSC report. A management control system is in place for appointment-related activities, and appointment processes have been strengthened to ensure that merit is met. As we found that assessment tools in a few appointment files reviewed did not fully assess one or more merit criteria, HC still needs to maintain appropriate vigilance and ensure that required documentation is adequate and comprehensive enough to support appointment decisions.



Action taken by the Public Service Commission

The PSC will continue to monitor HC through its regular monitoring activities, including the annual DSAR. In August 2011, the PSC removed the additional conditions to delegation that it had imposed in 2009. At that time, the deputy head of HC signed a new standard ADAI with the PSC.

Overall response from Health Canada

HC is pleased with the results of the follow-up audit of the PSC, which recognizes our accomplishments and progress made in the areas of management control systems for appointment-related activities and in our appointment processes. Our Department now has the systems, tools and practices in place to ensure the excellence of our staffing regime on an ongoing basis.

HC concurs with the findings. With the intention of continuing to strive for excellence, HC will amend its control mechanisms to ensure that appointment files, in addition to being complete, are also comprehensive. More specifically, HC will amend its staffing file checklists to include qualitative steps to be taken by HR Advisors, especially toward the full demonstration of merit. Additionally, to ensure that our assessment tools are adequate and comprehensive, HC will put in place a peer review system of assessment materials.

In continuous efforts to keep complying with the PSC's initial recommendations, HC will continue to carry out monitoring activities to address high-risk areas and to make adjustments to its tools and templates when deemed necessary.



16

Overview of audit approach



16 Overview of audit approach

To fulfill its accountability to Parliament under the *Public Service Employment Act* (PSEA), the Audit and Data Services Branch of the Public Service Commission (PSC) conducts independent audits on the staffing activities of individual organizations. These audits are objective and systematic examinations that provide independent assessments of the performance and management of staffing activities in the public service. Their purpose is to provide objective information, advice and assurance to Parliament, and ultimately to Canadians, on the integrity of the appointment process, including merit and non-partisanship.

Selection of audits

The PSC Audit and Studies Plan outlines the rationale for selecting organizations to audit. Key factors considered include the following:

- ▶ Data collection and analysis (e.g. information on Priority Administration);
- ▶ Departmental Staffing Accountability Reports (DSAR) and PSC assessments of performance under the PSEA based on the Staffing Management Accountability Framework (SMAF) and leading indicators;
- ▶ Activities related to PSC investigations;
- ▶ Consultations within the PSC;
- ▶ Literature reviews; and
- ▶ Other information.

Objectives

Audits determine the following:

- ▶ Whether the organization has an appropriate framework, systems and practices in place to manage its appointment activities; and
- ▶ Whether appointments and appointment processes in the organization comply with the PSEA, the *Public Service Employment Regulations* (PSER), the PSC Appointment Framework and related organizational appointment policies.



Audit criteria

The PSC conducts its audits based on the following audit criteria. These are drawn from, among others, the PSEA, the PSER and the PSC Appointment Framework.

1. The *Public Service Employment Act* and the Public Service Commission's delegated authorities

The organization's sub-delegation instrument complies with the Appointment Delegation and Accountability Instrument, the PSEA and the PSC Appointment Framework.

2. Planning for staffing

The staffing strategies support the organization's staffing priorities. Strategies are communicated and monitored, and are adjusted, when necessary.

3. Appointment policies

The organization has established appointment policies and criteria compliant with the PSEA, the PSER and the PSC Appointment Framework.

4. Capacity to deliver

The organization has mechanisms in place to ensure that those who have been assigned a role, responsibility or accountability in regard to the appointment process are informed of their roles, responsibilities and accountabilities and have the support to carry out their appointment-related responsibilities.

5. Monitoring

The organization has implemented a staffing management framework based on the SMAF, actively monitors its staffing activities and makes decisions based on the results, as needed.

6. Compliance – Merit

Appointments and appointment processes respect merit.

7. Compliance – Guiding values and other requirements

Appointments and appointment processes respect the guiding values of fairness, access, transparency and representativeness; other PSEA requirements; the PSER; the PSC Appointment Framework; and related organizational appointment policies.



Audit methodology

The PSC carries out a number of standard audit activities, such as the following:

- ▶ Interviews with human resources specialists and organizational managers involved in appointment activities, bargaining agent representatives and any other party who is identified as having relevant information;
- ▶ Reviews of organizational documentation regarding plans, policies, programs, processes, communications and reports with respect to organizational appointments; and
- ▶ Reviews of appointment files, along with relevant documentation on appointment processes.

When conducting an audit, the PSC reviews a representative sample, or, in the case of a small organization, a census of all of the appointments. The samples are designed to focus on risk. Of the 12 audits undertaken in 2012, four organizations had fewer than 20 appointments during the examination period; therefore, a census of all of their appointments was reviewed. For all other audits, a representative sample was selected. Details on sample selection are provided in each audit report.

During the course of an audit, appointment processes may be identified that, in the PSC's opinion, warrant further review. The PSC will refer to the deputy head of the organization such internal appointment processes. For external appointments, or if there are indicators of fraud or political influence in either internal or external processes, the appointment process will be referred to the Investigations Branch of the PSC to determine whether an investigation is warranted. The PSC will monitor these files to ensure that appropriate action is taken.

Follow-up audit methodology

The purpose of a follow-up audit is to determine whether the organization has responded adequately to the recommendations of the PSC audit.

A purposeful sample is selected for a follow-up audit to gather information-rich cases. These provide qualitative information that can be used to describe the appointment process and assess the progress made regarding the implementation of controls. The sample does not allow extrapolations to all appointments made during the period covered by the follow-up audit. The intention of using this sampling method is not to provide a representative compliance test of the appointment processes, but to provide qualitative information regarding the implementation of the PSC's audit recommendations.



