

2000-714

Final Report - Internet Version

Audit of the Efficiency and Effectiveness of the Staffing Process

2001-12-04



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada

Table of Contents

Executive Summary	1
1 Introduction	8
1.1 Authority for the Project	8
1.2 Objective	8
1.3 Scope	8
1.4 Background	9
2 Issues examined	10
2.1 Roles, Responsibilities and Accountability of HR Management	10
2.2 Application of Policies, Directives and Delegation of Staffing Authorities	10
2.3 PSC's Staffing Delegation.	11
2.4 Human Resources Planning Strategies	11
3 Findings, Conclusions and Recommendations	12
3.1 Roles, Responsibilities and Accountabilities of HR Management	12
3.1.1 HRB's Capacity	12
3.1.2 Key Decisions	13
3.1.3 HRB's Effort	13
3.1.4 Managers Knowledge Skills of the Staffing Process	14
3.2 Results of Testing 43 Staffing Action Files	14
3.2.1 Statements of Qualification and Competition Posters	14
3.2.2 Priority Clearances	15
3.2.3 Language Requirements	15
3.2.4 Eligibility Lists	16
3.2.5 Staffing Action Consequences	16
3.2.6 Personnel Service Request	17
3.2.7 Priority Clearances Documentation	17
3.2.8 Screening and Selection of Candidates.	18
3.2.9 Results of the Selection Process	19
3.2.10 Verification of Security Clearance Levels	19
3.2.11 HRMS Security Information	20
3.3 Elapsed Time from Completion of the Statement of Qualifications to the Selection Board Report	20
3.4 The PSC Delegated Staffing Program	22
3.4.1 The application of PSC's "Results Values" and "Process Values"	22
3.4.2 Departmental Performance Indicators for PSC	24
3.5 HR Planning Practices	25
Appendix A	29

Executive Summary

Authority for the Project

This audit was approved by the Audit and Review Committee, as part of the 2000-2001 Audit and Review Branch Annual Plan.¹

Objectives

To assess the efficiency and effectiveness of the Staffing Function in support of:

- the Public Service Commission (PSC) delegation of staffing accountability framework, values and managerial responsibilities;
- departmental operational objectives; and,
- achievement of performance results.

Scope

The scope of the audit included the staffing function at Headquarters at it relates to;

- Roles, responsibilities and accountabilities of human resources (HR) management within the Real Property Service (RPS), Government Telecommunications and Informatics services (GTIS) and Government Operational Service (GOS).
- The application of policies, directives and the Delegation of Staffing Authorities.
- The implementation of the DM's Staffing Delegation and Accountability Agreement with the PSC specifically:
 - ♦ application of "Results Values" (competency, representativeness, non-partisanship) and "Process Values" (fair, equitable and transparent) within the staffing process;
 - ♦ the establishment of performance measurement practices and management related to this delegation.
- The implementation of HR strategies addressing staffing needs as identified in departmental business plans.

The audit covered the staffing actions processed during the fiscal years 1999-2000 and 2000-2001.

¹ This project was conducted under the guidelines of the previous Treasury Board Review and Internal Audit Policy which was in effect up to March 31, 2001.

**2000-714 Audit of the Efficiency and Effectiveness of the Staffing Process
Final Report - Internet Version**

The specific scope exclusions from this audit were the following activities:

- Workforce Adjustment Program;
- Employment Equity Program;
- Official Languages Program;
- Temporary Help Strategy; and,
- Executive Services.

Background

Years leading up to the millennium were of revitalization within the Public Service of Canada. To attain the PSC's goal of finding practical ways of ensuring a professional, non-partisan and representative Public Service for the 21st Century, the PSC re-examined the way it does business.

To achieve "renewal" of the Public Service, initiatives were undertaken such as La Relève, followed by other PSC's recruitment initiatives and developmental programs. The objective was to make HR management more effective and efficient to better serve Canadians.

In early 1998, as part of the Staffing Reform Initiative, the PSC delegated additional staffing authorities to all Deputy Ministers. In addition the PSC developed an Accountability Framework describing the staffing system values and the responsibilities of managers, departments and the PSC within the system. Also developed with departments is a tailored agreement detailing the specific indicators they will use to monitor their organizational staffing activities to ensure observance of the merit principle and Public Service-wide values of fairness, equity, and transparency.

In May 1997, the Deputy Minister (DM), PWGSC through DMD- 046 "Sub delegation of Staffing Authority", subdelegated staffing authorities to the Human Resources Branch (HRB) and Departmental Managers (this directive replaced all subdelegation of staffing authority previously issued by departments , now amalgamated in PWGSC, namely the former Public Works Canada and Supply and Services Canada). In April 2000, these staffing authorities were revised as part of DMD- 045 "Delegation of Human Resource Authorities".

The Director, Learning and Renewal Services, HRB, PWGSC is accountable for developing departmental policies, strategies, and systems for a fully delegated staffing program in support of business strategies and renewal needs.

Key Findings

1.0 Roles, responsibilities and accountabilities of HR management need to be clearly assigned and appropriately supported.

- HRB's current capacity does not allow for the delivery of effective organizational support in PWGSC.
- Some key decisions were not being documented as required by staffing rules. Activities are for the most part being processed differently between branches and business lines. Some of the process methods used (electronic and/or manual) appear to be more efficient than others. Differences were noted in the forms used throughout the process and how files were maintained /set-up.
- HRB's effort was not always focussed on tasks that are under it's responsibilities wasting time/effort.
- Managers are generally lacking the knowledge skills to use the staffing process (here after referred to as "the process") effectively. Training seminars or workshops on staffing would appear to be helpful in solving this deficiency and ease the workload of the staffing advisors.

2.0 Results of testing 43 staffing action files for the application of policies, directives and delegation of staffing authorities indicates that the staffing process has many management practices that are working well, such as:

- Statements of qualification and competition posters were well prepared and found on all files as required by staffing rules;
- Priority clearances were being done as required;
- HRB ensured that all language requirements were fully met;
- Eligibility Lists reviewed were signed by the appropriate authority and prepared in accordance with the results of the selection process; and,
- Staffing action consequences resulting from the process, such as appeals, complaints, terms appointment extensions and any related competitions subsequently held to fill the position, were properly addressed by HRB.

2.1 Areas where management practices could be improved includes the following:

- Personnel Service Request (PWGSC-TPSGC-1) were completed as a means to close a staffing action. A better management practice would be to use them as an initiation document;
- Priority clearances documentation for some identified priorities was not sufficient and adequate to allow the auditors to determine if appropriate action was taken as a result of priorities being identified in the process;

**2000-714 Audit of the Efficiency and Effectiveness of the Staffing Process
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- The documentation was unclear to determine responsible officers for the performance of screening and selection of candidates;
- Results of the selection process were not available for two files reviewed. Without candidates test/interview results it is difficult to provide evidence that the selection process was based on the merit principle.
- HRB was verifying the security clearance levels to ensure that they met or exceeded the requirement of the position as established by managers. However, a number of candidates were hired by managers even when their security clearance levels did not meet or exceed the stated requirements for the staffing action; and,
- Security information contained in the Human Resources Management System (HRMS) and used by HRB was not always reliable.

2.2 The overall elapsed time from completion of the Statement of Qualifications to the Selection Board Report was often delayed by language testing and security clearance.

- Language testing is often a mandatory requirement for staffing action. Diagnostic testing was taking up to 13 weeks; and, oral interaction testing up to 6 weeks. Diagnostic testing and oral interaction testing are being administered by the PSC and therefore not under the direct control of PWGSC' HRB. Timeframes for the delivery of these services should be negotiated with the PSC and incorporated into a Service Agreement.
- Security testing is often a mandatory requirement for staffing action. Security clearance was taking more than the standards for security clearances, 48 hours for "Enhanced Reliability" and 3 months for "Secret" as established by Corporate Security. At the time of the audit changes to the security clearance process were being implemented that were designed to accelerate the security clearance process and eliminate the security clearance bottleneck.

2.3 Other steps of the process were also found to be lengthy: for the completion of Statement of Qualifications and Poster; between the closing of a competition to the testing of the qualifications; and, for the completion of the Selection Board Report.

- The causes of these lengthy activities could not be determined due to the lack of documentation on the files examined.
- HRB has not set standards for the expected time required for the completion of these activities. HRB needs to establish timeframe standards and a tracking system to provide management with information on bottlenecks and performance.

3.0 The new fully delegated staffing program as defined in the Staffing Delegation and Accountability Agreement signed between the PSC and the Department is being implemented as required however some areas require attention.

- The application of PSC's "Results Values" (competency, representativeness, non-partisanship) and "Process Values" (fair, equitable and transparent) in the large majority of staffing action is generally well integrated in the staffing actions process.
- Controls to ensure that "Results Values" are being adhered to are inadequate for all types of staffing actions.
- The Department treats the development of performance indicators for its workforce and PSC as a separate exercise. The PSC accountability framework is still in an early stage of implementation and the Department has flexibility to decide the basis for measurement. Combining the two where appropriate would be more efficient.

4.0 The lack of adequate managerial attention to medium and long term HR planning practices resulted in staffing decisions that were not effectively addressing requirements.

- The majority of the managers interviewed revealed some confusion regarding the department's current strategic HR planning process and the broad range of strategic data that can be extracted from the HRMS. They felt being in no position to predict with any degree of certainty their future HR needs.
- Similarly, other managers pointed to their reluctance to make long-term investments or take a more strategic approach to recruiting while they were still taking a piecemeal and short-term approach to their work.
- For specialized areas where staffing is a problem, limited work had been performed in the area of succession planning to help maintain and fill key positions.

Conclusions

Staffing roles, responsibilities, and accountabilities for HR management, at both the middle and senior levels, have evolved since the devolution of staffing authority from PSC to PWGSC. For an effective staffing function it is essential that HRB ensures that responsibilities be clearly assigned, appropriately resourced and that supporting structures and practices be put in place.

PWGSC staffing process is still based on methods and practices inherited from the former Public Works Canada and Supply and Services Canada. This process was not designed to support analysing and monitoring issues and trends having an impact on HR and/or to respond effectively to time critical situations. HRB need to redesign and implement strategic and effective staffing processes in compliance to the PSC requirements.

PWGSC has already integrated (applies and monitors) most of the PSC new requirements for "Results values" (competency, representativeness and non-partisanship) and "Process values" (fairness, equity and transparency) within the staffing process. However, these requirements are still to be integrated into the casual staffing process.

A full implementation of a values-based and results-based approach and the maintenance of an efficient and effective staffing function is beyond the full control of HRB. Collective effort of all managers is required.

The lack of adequate managerial attention to medium and long term HR planning has resulted in higher volume of staffing actions which in turn has applied pressures on HRB for faster delivery of service and on their ability to effectively provide support to managers.

The formulation of specific and measurable HR strategic objectives supported by data extracted from human resource information systems would provide managers with an effective planning and control tool and help them achieving their operational objectives and imperatives.

In the area of succession planning, HRB should increase its effort as a catalyst to help maintain and fill key positions particularly for specialized areas where staffing is a problem.

Finally, HRB need to move from a reactive to a proactive environment in order to help reduce pressures on HR's Advisors and increase their ability to effectively provide support to managers. HRB cannot achieve effective management support without an increase of managers knowledge skills in the area of HR planning and selection and processing of staffing actions.

Recommendations

It is recommended that:

1. *HRB implement changes to the staffing function to improve its efficiency and effectiveness by:*
 - *establishing a common staffing process for PWGSC; core services for HRB's; timeframe standards; and, a monitoring system for decision making and performance reporting;*
 - *standardizing control and documentation practices in order to monitor PWGSC efficiency and effectiveness of the staffing process; and*
 - *continuing the implementation of a results-based staffing action.*
2. *HRB establish a mandatory training program in the area of human resources planning for managers and mandatory training seminars or workshops on selection and processing of staffing actions.*

1 Introduction

1.1 Authority for the Project

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1.2 Objective

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1.3 Scope

The scope of the audit included the staffing function at Headquarters as it relates to:

- Roles, responsibilities and accountabilities of Human Resource (HR) managers and senior managers within the Real Property Service (RPS), Government Telecommunications and Informatics services (GTIS) and Government Operational Service (GOS);
- The application of policies, directives and the Delegation of Staffing Authorities;
- The implementation of the DM's Staffing Delegation and Accountability Agreement with the PSC specifically:
 - ♦ application of "Results Values" (competency, representativeness, non-partisanship) and "Process Values" (fairness, equity and transparency) within the staffing process;
 - ♦ the establishment of performance measurement practices and management related to this delegation; and
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The specific scope exclusions from this audit were the following activities:

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- Employment Equity Program;
- Official Languages Program;
- Temporary Help Strategy; and,
- Executive Services.

The auditors have relied on computer generated data/information extracted from Human Resources Management System (HRMS) and the «Bilan Social», interviews with managers and reviews of supporting information including “Bilan Social” and management information.

This is the first audit performed on the departmental staffing process since the creation of PWGSC in June 1993.

1.4 Background

Years leading up to the millennium were of revitalization within the Public Service of Canada.

The PSC has the responsibility for making appointments to and from a large part of the Public Service through the Public Service Employment Act (PSEA) and the Public Service Employment Regulations (PSER).

To attain its goal of finding practical ways of ensuring a professional, non-partisan and representative Public Service for the 21st Century, the PSC re-examined the way it does business and embarked on “ Staffing Reform” which consisted of a collection of initiatives to make HR management more effective and efficient to better serve Canadians. Examples of these initiative include La Relève, followed by other PSC recruitment initiatives and developmental programs.

In early 1998, as part of the Staffing Reform Initiative, the PSC delegated additional staffing authorities to all Deputy Ministers. In addition the PSC developed an Accountability Framework which describes the staffing system values and the responsibilities of managers, departments, and the PSC within the system. It also developed a tailored agreement detailing the specific indicators departments were to use to monitor and report their organizational staffing activities to ensure observance of the merit principle and Public Service-wide values of fairness, equity, and transparency.

In May 1997, the Deputy Minister (DM), PWGSC through DMD- 046 “Sub delegation of Staffing Authority”. subdelegated staffing authorities to the Human Resources Branch (HRB) and Departmental Managers (this directive replaced all subdelegation of staffing authority previously issued by departments, now amalgamated in PWGSC, namely the former Public Works Canada and Supply and Services Canada). In April 2000, these staffing authorities were revised as part of DMD- 045 “Delegation of Human Resource Authorities”. Issues Examined

2 Issues examined

2.1 Roles, Responsibilities and Accountability of HR Management

A review of 43 staffing action files and interviews with managers provided an indication of the overall health of the staffing function and determine whether responsibilities were clearly assigned, appropriately resourced and supported by adequate structures and practices.

The 43 staffing actions, initiated during 1999-2000 and 2000-2001 for the National Capital Area by RPS, GTIS and GOS were distributed as follow:

- 8 Casuals;
- 9 Open Competitions, for previously casual employees hired by name referral method;
- 4 Open Competitions, for previously casual employees hired using the advertisement/poster method;
- 8 Open Competitions;
- 7 Closed Competitions interdepartmental; and,
- 7 Closed Competitions intradepartmental.

It should be noted that it is not possible to project tests results based on sampling to the entire population of staffing action files as there were significant differences in the process used by each Branch.

2.2 Application of Policies, Directives and Delegation of Staffing Authorities

The randomly selected sample of staffing actions files were reviewed to assess the efficiency and effectiveness of the staffing process.

The file were reviewed and assessed to determine:

- the appropriateness of authorization (by delegated authority) in the staffing process (here after refer to as "the process");
- the completeness of process documentation in accordance with the Privacy Regulations requirements;
- the timeliness of processing staffing action (including timeframes to provide an idea on which activities where taking longer period of time i.e. bottlenecks and their causes);
- the degree of inclusion of result values (competency, representativeness, non-partisanship) and process values (fairness, equity and transparency) in the process; and,
- the appropriateness of actions resulting from the process (complaints/appeals, extensions of terms and competitions subsequently held to fill position).

In addition, the files were used as a basis to:

- determine an average time between decisions;
- identify and confirm the existence of the bottlenecks; and,
- identify their causes and provide recommendations.

2.3 PSC's Staffing Delegation.

The review of the 43 staffing actions included the degree of inclusion of "Result Values" (competency, representativeness, non-partisanship) and "Process Values" (fairness, equity and transparency) in the process.

The review also included the progress made by HRB to enable PWGSC to report as required under the Staffing Delegation and Accountability Agreement signed between the PSC and the Department. This agreement include performance indicators reflecting outcomes, outputs, and process measures, as agreed and listed in the agreement, for measuring adherence to these values.

2.4 Human Resources Planning Strategies

A number of business line managers were interviewed to determine whether the implementation of HR strategies were addressing staffing needs as identified in departmental business plans.

In addition questionnaires were used to determine whether the planning process was facilitating manager's staffing requirements and to identify what additional training or information would be helpful from HRB.

3 Findings, Conclusions and Recommendations

3.1 Roles, Responsibilities and Accountabilities of HR Management

Roles, responsibilities and accountabilities of HR management need to be clearly assigned and appropriately supported.

3.1.1 HRB's Capacity

HRB's current capacity does allow for the delivery of effective organizational support in PWGSC.

HRB Advisors' role include alignment of HR strategies and practices with business strategies. This role entails leading the development and provision of proactive strategic, business oriented HR initiatives, plans, strategies, practices, and procedures. Including those regarding the renewal and re-skilling of the client organizations. This is required to ensure they reflect the diversity of the Department's roles, functions, operations, appropriate future business objectives, goals and mandate and managing HR inputs into business plans.

During the audit, a number of managers interviewed perceived HRB as good at providing guidance on rules and regulations. However, some managers have reported a need for HRB to reinforce its role as a catalyst of change in the creation of organizational capability in an enabling environment.

There are shortages in the personnel professionals' communities, not only in the department but also in the NCA. HR managers estimated that about 25 personnel professionals need to be hired to provide functional and technical roles required to meet the demands of management.

Developing HR resources both technically and as an agent of change requires large investments in training and in development. In the auditors' opinion large demands in processing staffing actions has reinforced HRB's functional role and the need for knowledgeable technical skills. This along with the shortages in the personnel professional's community has not allowed HRB to serve manager as an agent of change to their full satisfaction.

During the audit, the auditors compared NCA Departmental number of staffing actions between 1999-2000 and 2000-2001. The number shows increases of 18% (7426 to 8742). Most significant staffing actions were acting (36%) and casuals (13%) appointments.

In the auditors' opinion the level of energies mobilized on each type of staffing action appear to be questionable in relation to its impact in resourcing programs and services to meet organizational objectives. Choosing the right type of staffing action is not only important to provide value to the organization but also to maximize use of HRB's resources.

3.1.2 Key Decisions

Some key decisions were not being documented as required by staffing rules.

Different process methods were used by HRB and managers (electronic and/or manual) in each of the file reviewed. Some appear to be more efficient than others.

Differences were also noted in the forms used in the process and how the files were maintained /set-up and key decisions were documented. Examples of these includes: staffing requests; screening and selection board reports; recording of security information on files; the wording of result letters; and, letters of offer. This resulted in some key decisions not being documented as required by staffing rules and regulations.

Although the employment legislative framework has not changed, the PWSCG staffing delegation authority has increased. HRB and managers were using similar methods in existence under the old PSC's regime (including older methods inherited from old Public Works Canada and, Supply and Services Canada) and changes observed to convert to new regime appear resulting from HRB's staff personal initiatives rather than HRB's process norms' changes.

It is the auditors' opinion that tasks in the process should be standardized throughout the Department to make the process more efficient and flexibility in HRB's staff mobility. Furthermore, documentation standards are needed to reduce the risk of staffing actions not being processed in a consistent manner between branches and business lines and to ensure that all key decisions are being documented as required by staffing rules and regulations.

3.1.3 HRB's Effort

HRB's effort was not always focussed on tasks that are under it's responsibilities wasting time/effort.

HRB performs tasks for which management is responsible because process activity and responsibility are not clearly defined. These responsibilities related to some parts of the process, e.g. The preparation and maintenance of Organization charts, the preparation of the Statement of Qualifications, and the completion of the

PWGSC 1.

In addition, the auditors noted some instances where HRB had prepared written tests, and had provided translation services for these tests on behalf of management.

In the auditors' opinion these tasks constitute an inefficient use of PE's time.

This issue has been recognized by HRB. During the audit a mapping study of core and extended services by staffing action type was being conducted. The auditors were provided with preliminary results of this study and are of the opinion that HRB should use the mapping study as a basis for action and continue to take the necessary steps to ensure that PE's effort is concentrated only on tasks for which it is responsible.

3.1.4 Managers Knowledge Skills of the Staffing Process

Managers are generally lacking the knowledge skills to use the staffing process (here after referred to as "the process") effectively.

Managers new to the process have expressed a need to become familiar with the steps in the process, the sequences and the possible time frame between each step.

Others managers revealed an expressed need for training in the preparation of the Statement of Qualification, the completion of the PWGSC 1 and the availability of data/access to the HRMS to provide relevant information for the completion of some documents used in the process.

It is the auditors' opinion that mandatory training seminars or workshops on staffing should help solving this deficiency and ease the workload of the staffing advisors.

3.2 Results of Testing 43 Staffing Action Files

Results of testing 43 staffing action files for the application of policies, directives and delegation of staffing authorities indicates that the staffing process has many management practices that are working well and some that could be improved.

3.2.1 Statements of Qualification and Competition Posters

Statements of qualification and competition posters were well prepared and found on all files as required by staffing rules.

In order to ensure the application of fairness and equity principle, the SOQ should include lists of knowledge, skills and personal attributes requirements for screening

criteria and qualifications. Managers are responsible for the information contained in these SOQ and HRB provide advice and prepare SOQ and posters.

During the file review, when applicable, list of skills and personnel attributes were found on all files.

Although SOQ and posters were on file as required a number of files did not have an audit trail to determine whether manager requesting the staffing action had reviewed and approved these documents prior to being posted/requested.

As a result, the auditors could not conclude that the manager requesting the action was clearly responsible for the SOQ and the information contained on the competition poster.

In the auditors' opinion, the process should include an audit trail to clearly demonstrate responsibility over SOQ and competition poster.

3.2.2 Priority Clearances

Priority clearances were being done as required.

When priorities are identified for a staffing action, the action cannot be further processed until all candidates identified on the priority list have been provided with an opportunity to respond to the request. Once all candidates have declined this opportunity, a clearance number is obtained from PSC and PWGSC's Human Resources Management System (HRMS).

3.2.3 Language Requirements

HRB ensured that all language requirements were fully met.

When applicable, the auditors noted that all candidates had been adequately tested for language requirement as identified on the poster.

3.2.4 Eligibility Lists

Eligibility Lists reviewed had been signed by the appropriate authority and prepared in accordance with the results of the selection process.

Where available, the information contained on the eligibility list was consistent with the Selection Board Report as required. For two of the files reviewed HRB nor the managers had supporting documentation of the screening and selection criteria used to evaluate candidates.

In the auditors' opinion, HRB should only issue eligibility lists upon the provision of a selection results document signed by Board members as authorized by the manager requesting the staffing. This document should be retained as required by staffing rules and regulations.

In addition, the auditors noted some staffing actions where the eligibility list was dated after the letter of offer but these cases did not pose a major risk, since the eligibility date was either on or before the starting date.

The auditors also noted good practices, for example additional criteria of screening included the basket test which was used to make the number of candidates more manageable and cost-effective in the selection process. Also rating guides are being used as required by the policy. In the auditors' opinion HRB should continue to share practices and invest in innovative staffing practices.

3.2.5 Staffing Action Consequences

Staffing action consequences resulting from the process, such as complaints, terms appointment extensions and any related competitions subsequently held to fill the position, had been properly addressed by HRB.

The staffing consequences examined by the auditors were for:

- Complaints/appeals;
- Terms appointments extension; and
- Open competition subsequently held to fill a position that was previously held by a casual employees.

The auditors concluded that all staffing actions consequences examined were properly addressed by HRB.

3.2.6 Personnel Service Request

Personnel Service Request (PWGSC 1) were completed as a means to close a staffing action. A better management practice would be to use them as an initiation document.

Managers were using formal (prescribed forms) and informal means (verbal and memo) to initiate staffing actions.

Staffing actions initiation information is key to identify the profile of the position including language, security requirement, level/group for the position. It is also used to confirm that financial resources are available to staff the position (commitment under Section 32 of the Financial Administration Act).

All of the staffing requests reviewed were supported by a complete and properly authorize prescribed form in accordance with the delegated authority for human resources. However, for a small number of staffing actions the form had been used as a mean to complete the staffing action.

Although staffing action requests were approved by manager with the appropriate level of authority a better management practice would be for HRB to formally initiate a staffing action only when complete and authorized documentation is received from the manager.

3.2.7 Priority Clearances Documentation

Priority clearances documentation for some identified priorities was not sufficient and adequate to allow the auditors to determine if appropriate action was taken as a result of priorities being identified in the process.

The information on identified priorities had not been adequately captured on a number of the file reviewed to allow the auditors to determine if proper actions were taken as a result of priorities being identified in the process.

In the auditors' opinion, staffing files should at least include an audit trail of actions taken as a result of priorities being identified in the process. This should be done in order to avoid the risk of priority candidates complaining at a later date of not having received the right of refusal as required by the staffing rules.

3.2.8 Screening and Selection of Candidates.

The documentation was unclear to determine responsible officers for the performance of screening and selection of candidates.

Screening and selection of candidates are the responsibility of the manager but screening could be performed by the HR advisor and/or PSC. Where applicable, the auditors were looking for:

- A Signed Statement of Persons Present at the Screening Board and/or at the Selection Board (Form 253) used to identify individuals responsible for the screening and the selection process;
- Matching signatures between Form 253 and the Screening Board Report and/or the Selection Board Report;
- Copies of letter send to all candidates when required;
- Justification of candidates rejected by the Screening Board: and,
- Consistency in the manner candidates have been screened and selected.

The auditors found that, where applicable:

- A number of files did not contain Form 253 for the screening process and/or for the selection of candidates;
- For some files signatures on Form 253 did not match the signatures found on the Screening Board Report and/or the Selection Board Report;
- All files reviewed had copy of letter of offer. However, some files did not have copy of letter to candidates screened out and/or copy of notification letter;
- Justification of candidates rejected by the Screening Board was properly documented; and,
- All candidates appear to have been screened and selected in a consistent manner.

For the files reviewed since not all Screening and Selection Reports were signed it was unclear to determine responsible officers for the performance of screening and selection of candidates.

3.2.9 Results of the Selection Process

Results of the selection process were not available for two files reviewed. Retaining assessment information is a requirement of the Privacy Regulations.

Results of examination and interview is used to prepare Selection Board report and justify the ranking of the candidates on the eligibility list. However, two of the staffing actions reviewed did not have supporting documentation for the screening and selection criteria used to evaluate candidates. A complaint on one of these resulted in PSC directing PWGSC that all of the name be deleted from the eligibility list created as a result of the competition.

Without candidates test/interview results it is difficult to provide evidence that the selection process was based on the merit principle. Retaining assessment information is a requirement of the Privacy Regulations (i.e. two years after the expiry date of the eligibility list or for a period of two years from last administrative use) therefore the auditors' concluded that the process requires additional controls ensuring that staffing documentation comply with Privacy Regulations.

3.2.10 Verification of Security Clearance Levels

HRB was verifying the security clearance levels to ensure that they met or exceeded the requirement of the position as established by managers. However, a number of candidates were hired by managers even when their security clearance levels did not meet or exceed the stated requirements for the staffing action.

Depending upon circumstances HRB uses a number of methods to verify that the established security clearance levels has been obtained.

For the file reviewed the methods used by HRB were:

- HRMS;
- Security request forms for new security clearance or increase existing level;
- Verbal confirmation obtained from security;
- Written confirmation obtained from security; and
- Transfer of candidate's security information.

The auditors noted 8 cases where managers hired candidates before the security requirement of the position had been met.

In one case the security clearance was still outstanding as of June 20 2001. This exception was a request for higher security: from enhanced reliability to a

confidential level. In the business line a new Unit Security Officer was in place and a required follow-up was inadvertently missed.

In the auditors' opinion, managers should not have the authority to hire candidates prior to the security requirement of the position has been met.

3.2.11 HRMS Security Information

The security information contained in the HRMS and used by HRB was not always reliable.

In two of the 9 cases where HRMS was used to verify security levels, the information system was incorrect.

In the auditors' opinion the HRMS security information should not be used to verify candidate security status when data integrity is a concern.

Also noted were candidates hired with an inadequate level of security for the position.

These inconsistencies were follow-up and explained by the fact that managers are willing to take security risk because they view security risk as lower than the risk of not meeting their operational requirements.

In the auditors opinion, HRMS should have accurate position's information that reflect the security level required by the manager.

3.3 Elapsed Time from Completion of the Statement of Qualifications to the Selection Board Report

The overall elapsed time from completion of the Statement of Qualifications to the Selection Board Report were often delayed by language testing and security clearance.

Language testing is often a mandatory requirement for staffing actions. Diagnostic testing was taking up to 13 weeks; and oral interaction testing up to six weeks.

Diagnostic testing and oral interaction testing are being administered by the PSC and therefore not under the direct control of PWGSC' HRB. Therefore the auditors have discussed with PSC's representatives the length of diagnostic testing and oral interaction testing. Due to an unusual backlog PSC has recognized that turnaround time noted during the files review were in line with PSC's statistics.

Timeframes for the delivery of these services should be negotiated with the PSC and incorporated into a Service Agreement.

The security testing results of the files reviewed were as follow:

**2000-714 Audit of the Efficiency and Effectiveness of the Staffing Process
Final Report - Internet Version**

	Basic	Enhanced Reliability	Confidential	Secret
Files in the sample	1	9	1	1
Working days observed:	62		84 (still O/S as of June 20, 2001)	276
Minimum		6		
Maximum		52		
Working days median	n/a	20	n/a	n/a

The 62 days observed of the file with Basic level requirement was explained by the need for the candidate to provide fingerprints.

As previously stated no follow-up had been done by Unit Security Officer to establish the cause of the delay for the Confidential security level request.

For enhance reliability a median of 20 working days was observed for the nine files included in the sample. The standards of 48 hours (2 working days) for enhanced reliability as established by Corporate Security was not meet for any of the file reviewed. The files with a Secret level requirement result of 276 working days is also not in line with the standards established by Corporate Security of 3 months (92 calendar days).

The auditors discussed these results with Corporate Security and were informed that changes to the security clearance process were being implemented. These changes if fully implemented should accelerate the security clearance process and eliminate the security clearance bottleneck in the process.

Other steps of the process was also found to be lengthy: for the completion of Statement of Qualifications and Poster; between the closing of a competition to the testing of the qualifications; and, for the completion of the Selection Board Report.

For the staffing actions reviewed, the auditors have calculated working days for each major tasks in the process. Results of this work is available in Appendix A.

In the process, bottlenecks could occur for a number of reasons and created by either HRB, by managers for operational requirements and/or candidates. The nature of these bottlenecks is not well captured in the process if HRB wishes to better understand their causes a tracking system should be design for that purpose.

HRB does not capture adequate information on either the length of time required to do the steps nor the causes of the delays when they occur. Therefore there was inadequate information on file to allow the auditors to identify causes of the delays.

In addition, there are no timeframe standards by which the accomplishment of these activities could be assessed. HRB needs to establish timeframe standards and a tracking

system designed for the purpose of providing management with information on bottlenecks and performance.

A staffing delivery plan could be used by HRB as a tool to monitor activity step's date in the process. However, from the file reviewed, the auditors have determined that where this plan was used HRMS had not been consistently updated on a regular basis throughout the staffing process. The auditors view the plan as a useful tool to monitor timeframe if timely updates are being done. Also, the plan could be used for controlling staffing documentation requirements under the Privacy Regulations.

3.4 The PSC Delegated Staffing Program

The new fully delegated staffing program as defined in the Staffing Delegation and Accountability Agreement signed between the PSC and the Department is being implemented as required however some areas requires attention.

3.4.1 The application of PSC's "Results Values" and "Process Values"

The application of PSC's "Results Values" (competency, representativeness, non-partisanship) and "Process Values" (fairness, equity and transparency) in the large majority of staffing action is well integrated in the staffing actions process.

Casual appointments can be used for emergencies, to fill short terms absences or for specifics short term projects. There is no legal requirement to establish an area of selection and systematic test for casual employment. Predominant values and management principles in action for casual employment are efficiency/effectiveness and flexibility.

According to HRB, it was not unusual for managers to use term competitions as a mean to attract and retain an already trained casual employee. Using HRMS data, it was determined that for the two years reviewed approximately 16% (360 candidates) of the total casual appointees in the NCA subsequently became the successful candidate for a term position.

For all of the casual employment files reviewed the auditors noted that there was no imbedded challenges made by HRB or justification were provided by management for its use.

Since limited documentation had been retained it was not clear where and how in the process due considerations were given for values and management principles when casual employment was used.

It is the auditors' opinion that "Results and Process Values" for casual process should be more clearly integrated and documented to fulfil the PSC requirements.

The selection of casual employment has a certain degree of impact on tomorrow's

**2000-714 Audit of the Efficiency and Effectiveness of the Staffing Process
Final Report - Internet Version**

Departmental workforce since in general, an experienced casual employee has a competitive advantage over other candidates to become the successful candidate.

Controls to ensure that “Results Values” are being adhered to are inadequate for all types of staffing actions.

- **competency (qualified to do the job)**

The auditors could concluded that the merit principle was applied on files where evidence was found that candidates were tested and results were on file to support the eligibility list or for name referral there was appropriate justification and subsequent approval by the PSC. However, this evidence was not available for two of the file reviewed.

- **representativeness (Public Service reflects the labor market)**

There was no specific evidence on file to enable the evaluation of this criteria.

- **non-partisanship (staffing free of political or bureaucratic patronage)**

There was no specific evidence on file to enable the evaluation of staffing free of political.

The review did allow to conclude on staffing bureaucratic patronage.

In discussion with some program managers, the auditors were informed that in some cases, where specific technical expertise was required (eg. CS, architect, ENG., PE, Real property specialist), no inventories of candidates were available at PSC. Due to the lack of inventories, managers were forced to find candidates through other sources such as name referral by current employees, contact through jobs fair, etc.

The auditors concluded that there is a risk of transparency exposures in some cases reviewed where the name referral method was used. Managers appointed a previous casual employee as a term without advertising the vacant position. They were justifying the process as an urgency or that the casual employee was fulfilling a similar position. By using this process, access to the position was not provided to other potential candidates within PS and on the labour market. However, the name referral is always submitted to PSC for approval. For the files reviewed, name referral were appropriately authorized.

The auditors concluded that , in general, “Results and Process Values” are well integrated in the process. reinforcing adherence to these values is however needed. The use of attestation statements of manager and HR advisor to close a staffing action would reinforced adherence to these values.

Until changes are being done government wide the Department must apply existing staffing rules and regulations as well as fully integrating the new PSC’s

value-based approach to staffing. This is another HR challenge for the Department.

To enable the attraction of knowledge workers managers require HRB's assistance in making staffing decisions. It is the auditors' opinion that while HRB is developing standards practices for the adoption of a value-based approach, it also need to increase its leadership role to support managers in making staffing decisions.

3.4.2 Departmental Performance Indicators for PSC

The Department treats the development of performance indicators for its workforce and PSC as a separate exercise.

As part of the Staffing Reform's initiative by the PSC, an accountability and reporting framework is being used to holds departments accountable for exercising staffing delegation.

The Department was using resources to built this sets of indicators while some indicators are already being maintained for its workforce.

For example: representativeness is an element that is common so is fairness, equity and transparency. In those cases where there are common elements to the performance indicators used in the PSC/PWGSC, the department should take advantage of the common elements and report along similar lines.

It is the auditors' opinion that because the PSC accountability framework is still in an early stage of implementation that the Department should lead the process and use the workforce indicators for reporting purposes where appropriate.

3.5 HR Planning Practices

The lack of adequate managerial attention to medium and long term HR planning practices resulted in staffing decisions that were not effectively addressing requirements.

Ultimately, the cornerstone of a good resource planning system is a strategic planning process that defines future human resource needs and develops plans in response to management needs.

An organization's ability to conduct activities depends largely on the human resources it requires for current and planned programs and activities. If it is to successfully develop strategic plans and work objectives, HRB must be aware of the possible HR requirements of axial managers. It should accordingly ask these managers to remit information on anticipated demands relating to personnel staffing.

In its initiative aimed at analyzing HR strategic planning, the audit team took into account a number of contextual factors, namely:

- Developing succession plans is a daunting challenge for PWGSC and managers will have to recruit and work to retain skilled employees in a climate of stability and expanding activity rather than the climate of readjustment that has been the norm for the past number of years throughout the Public Service;
- managerial knowledge of the field of strategic HR management is no longer up to date owing to the flood of departures the department has seen in past years; and
- HRB is currently facing a shortage of human resource specialists, a trend which is compromising the efficiency and effectiveness of its customer services.

Our discussions with responsibility centre managers who make use of HR management services revealed some confusion regarding the department's current strategic HR planning process and the broad range of strategic data that can be extracted from the human resource information systems. In fact, these centre managers told us that with the exception of using data relating to specific staffing-related actions and requirements and identifying staff members planning to retire in the near future they were in no position to predict with any degree of certainty their future HR needs.

Similarly, other managers pointed to their reluctance to make long-term investments or take a more strategic approach to recruiting while they were still taking a piecemeal and short-term approach to their work. Still others suggested to us that the Department should develop strategic succession plans to fill key positions in extremely narrow areas of expertise.

When demands for PWGSC services were increasing and the labour market's were showing shortages of qualified and competent human resources, managers focused on short term requirements. The lack of adequate managerial attention to medium and long

**2000-714 Audit of the Efficiency and Effectiveness of the Staffing Process
Final Report - Internet Version**

term HR planning has resulted in higher volume of staffing actions which in turn has applied pressures on HRB for faster delivery of service and on their ability to effectively provide support to managers

The formulation of specific and measurable HR strategic objectives supported by data extracted from human resource information systems would provide managers with an effective planning and control tool and help them achieving their operational objectives and imperatives.

Conclusions

Staffing roles, responsibilities, and accountabilities for HR management, at both the middle and senior levels, have evolved since the devolution of staffing authority from PSC to PWGSC. For an effective staffing function it is essential that HRB ensures that responsibilities be clearly assigned, appropriately resourced and that supporting structures and practices be put in place.

PWGSC staffing process is still based on methods and practices inherited from the former Public Works and Supply and Services Canada. This process was not designed to support analysing and monitoring issues and trends having an impact on HR and/or to respond effectively to time critical situations. HRB need to redesign and implement strategic and effective staffing processes in compliance to the PSC requirements.

PWGSC has already integrated (applies and monitors) most of the PSC new requirements for "Results values" (competency, representativeness and non-partisanship) and "Process values" (fairness, equity and transparency) within the staffing process. However, these requirements are still to be integrated into the casual staffing process.

A full implementation of a values-based and results-based approach and the maintenance of an efficient and effective staffing function is beyond the full control of HRB. Collective effort of all managers is required.

The lack of adequate managerial attention to medium and long term HR planning has resulted in higher volume of staffing actions which in turn has applied pressures on HRB for faster delivery of service and on their ability to effectively provide support to managers.

The formulation of specific and measurable HR strategic objectives supported by data extracted from human resource information systems would provide managers with an effective planning and control tool and help them achieving their operational objectives and imperatives.

In the area of succession planning, HRB should increase its effort as a catalyst to help maintain and fill key positions particularly for specialized areas where staffing is a problem.

Finally, HRB need to move from a reactive to a proactive environment in order to help reduce pressures on HR's Advisors and increase their ability to effectively provide support to managers. HRB cannot achieve effective management support without an increase of managers knowledge skills in the area of HR planning and selection and processing of staffing actions.

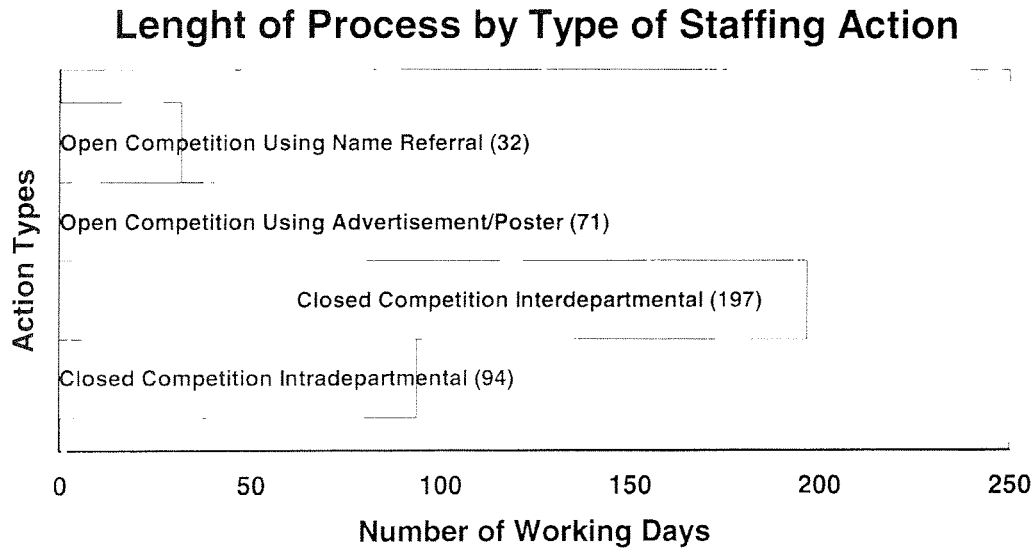
Recommendations

It is recommended that:

1. *HRB implement changes to the staffing function to improve its efficiency and effectiveness by:*
 - *establishing a common staffing process for PWGSC; core services for HRB's; timeframe standards; and, a monitoring system for decision making and performance reporting;*
 - *standardizing control and documentation practices in order to monitor PWGSC efficiency and effectiveness of the staffing process; and*
 - *continuing the implementation of a results-based staffing action.*
2. *HRB establish a mandatory training program in the area of human resources planning for managers and mandatory training seminars or workshops on selection and processing of staffing actions.*

Appendix A

The following chart provides information on the number of working days as calculated by the auditors using the information contained in the staffing action files reviewed.

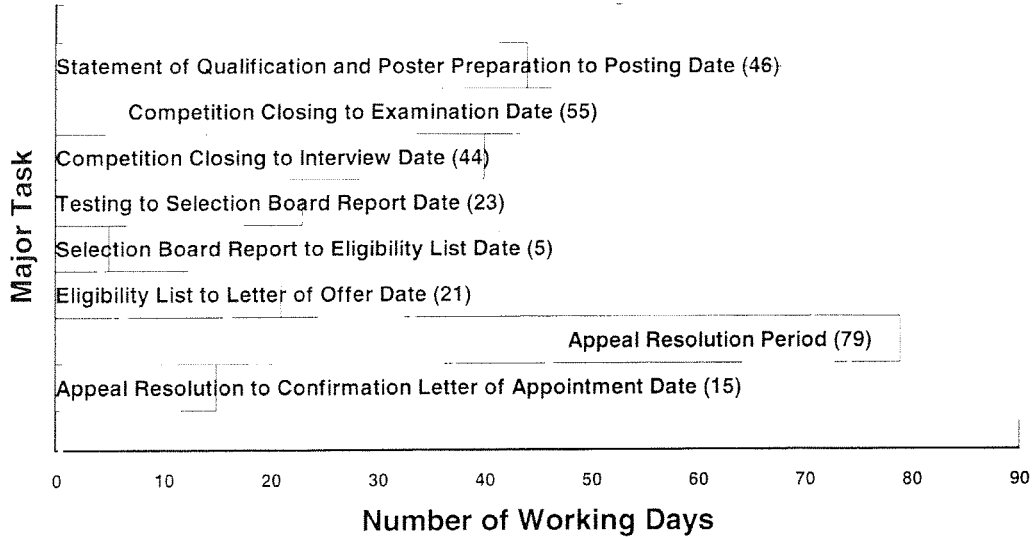


Note: Closed competition interdepartmental include resolution of appeals: 79 working days.

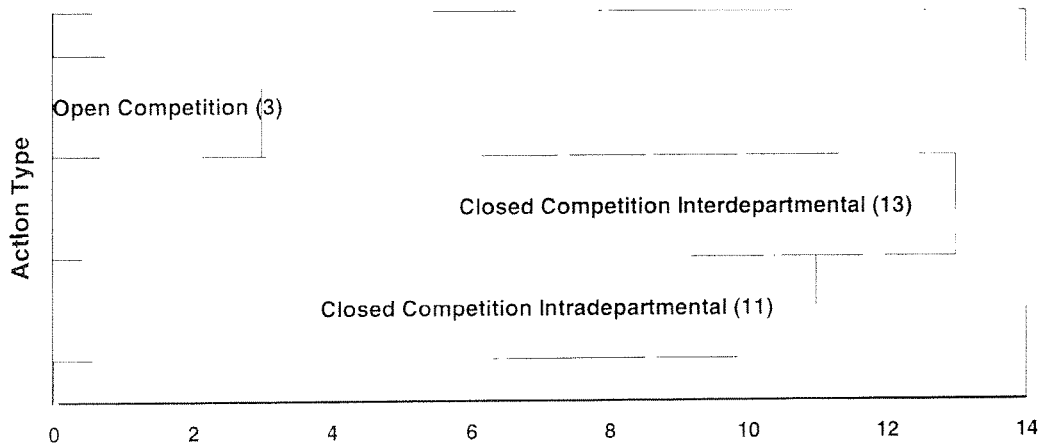
**2000-714 Audit of the Efficiency and Effectiveness of the Staffing Process
Final Report - Internet Version**

The following charts excludes data for name referral as they are presented in a separate chart. The screening activity is a major task in the process, however, information on file was insufficient to allow the auditors to calculate its related working days. Consequently this time is bearded under Competition Closing and Examination (55) or Competition Closing and Interview (44).

Length of Process by Major Task



Posting of competition Notice by ActionType



Name Referral - Length of Process of Major Task

