



2000-715 Final Report - Internet Version

**Audit of the Appropriateness of
Information that Supports Decision
Making at PWGSC - Quebec Region**

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Executive Summary

Authority for the Project

The Regional Director General, PWGSC – Quebec Region, requested that an audit of the appropriateness of information that supports decision making, performance monitoring and daily management of the Region's operations be included in PWGSC's *Departmental Audit and Review Plan* for fiscal year 2000-2001.

Objectives

Provide assurance that PWGSC – Quebec Region managers have appropriate information to manage and make decisions so that they can achieve objectives with respect to the Department's mandate, programs and business lines, support core functions and responsibilities, comply with legislation and policies, and achieve desired results.

Scope

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- If information is found not to be appropriate, determine possible reasons.
- Identify decision areas (finance, human resources, partnership, client service delivery, major corporate projects) that may call for closer attention.
- Identify possible solutions and make recommendations.

Scope limitation

- The review and recommendations were confined to the Quebec Region.
- Meetings were held with all directorates in the Region except Consulting and Audit Canada and the Translation Bureau.
- The mandate assigned to the auditors did not call for an analysis of the integrity of the information produced by the various systems.

Specific Environment of PWGSC - Quebec Region

Challenges

- The need to gradually shift from a mandatory common services culture to an optional services business culture.
- Several product lines among which there is often little connection or commonality.
- Diversified client base which renders the standardization of services difficult even at the regional level.

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- Increased complexity of roles and responsibilities due to the expanded use of the matrix structure. Moreover, the matrix structure often requires managers to participate in decisions involving more than one directorate and to share responsibility with other decision makers.
- Accrued complexity due to multiple technologies and incompatible information systems.

Asset

- The professionalism, commitment, integrity and dedication to corporate values displayed by Quebec Region managers make them a major asset in tackling the many challenges we face.

Key Findings

- The directorates consulted have information of sufficient quantity and quality to manage their own daily financial and human resources management operations.
- There are greater difficulties in satisfying information needs for operations involving clients, matters involving more than one directorate and shared responsibility.
- Information related to directives, procedures and legislation is also considered to be of sufficient quantity and quality to enable managers to make appropriate decisions. This type of information is viewed as an important validation tool by decision makers.
- The large volume of information which need to be considered during complex decision making processes, often involving elements such as risk management and management of the government's strategic directions are problematic.
- Only agency functions (costs to government) are funded and recognized, not value-added functions (value to government), which relate more to the advisory role and expertise sharing. This situation tends to aggravate and perpetuate the problem of insufficient information and analytical tools to nourish strategic reflection.
- Most decisions focus on the form, as opposed to the content, that a specific activity or action will take.
- The national committees are viewed as a source of appropriate strategic information for decision making purposes.
- Corporate projects (i.e. projects piloted by the central administration) provide the Quebec Region decision makers with pertinent information regarding strategic initiatives while providing them with an opportunity to influence decision making processes regarding future initiatives and regional service delivery options.

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- There are no issues at this time related to the appropriateness of the information used to support decision making in the areas of “partnership” and “finance” (except for client-related matters).

Recommendations

1. *To improve the relevance of information, it is recommended that the ADM - RPS ensures that any systems development project (e.g. integration of Real Property Services information systems) be guided by three basic questions:*

- *What decisions do we have to make?*
- *What do we need to know in order to make these decisions?*
- *Which systems are able to efficiently and effectively support these decision making requirements?*

While efforts are already being made to improve the relevance of the information produced by the RPS information systems, the Business Information Task Force should focus on mechanisms designed to enable managers to extract information needed for decision making instead of working on a standard form or report format.

2. *To increase the relevance of the information required to support the increment of strategic decisions and to improve the advisory role with respect to the client, it is recommended that:*

2.1) ADM-RPS in conjunction with regional management improve the relevance of information provided in order to be able to:

a) obtain an overview of all projects for a particular client or particular classes of projects for all clients; and

b) obtain a profile of a particular class of projects for all clients (e.g. projects behind schedule, projects with overruns).

2.2) Regional management improve the relevance of information provided in order to be able to:

c) establish a portfolio of services offered to clients by all directorates; and

d) respond quickly to ministerial inquiries and the media.

2.3) Regional management place emphasis on the process of monitoring and gathering information in order to develop client loyalty and strengthen the corporate culture,

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evaluate the relevance of what is done, and identify client needs and market trends over the longer term.

3. *To improve the relevance of information from regional committees and maximize its use, regional management should consider the following:*
- *Focus meeting agendas on specific topics when strategic issues are to be discussed.*
 - *Allocate a specific amount of time to each point and provide committee members with summarized background documentation prior to the meeting.*
 - *Distinguish between decision-making and informational meetings. Specify in advance which type of meeting it will be or split the meeting into two parts.*
 - *Consider the appropriateness of dealing with a given point at a committee meeting. Is this the right forum? What do we expect of the people to whom we are making a presentation and with whom we engage in the ensuing discussion?*
 - *Return to the committee's original mandate (e.g. RMC) or reconsider it.*
 - *Summarize information presented at committee meetings:*
 - *Background*
 - *Issues*
 - *Possible solutions, recommended solution(s), rationale*
 - *Adapt information content to reflect the objectives of a specific committee meeting, e.g. information sharing, consultation or decision making.*

1 Introduction

1.1 Authority for the Project

The Regional Director General, PWGSC – Quebec Region, requested that an audit of the appropriateness of information that supports decision making, performance monitoring and daily management of the Region's operations be included in PWGSC's *Departmental Audit and Review Plan* for fiscal year 2000-2001.

The audit team was composed of professionals from the Montreal office of Consulting and Audit Canada and PWGSC's Audit and Review Branch.

1.2 Objectives

Provide assurance that PWGSC – Quebec Region managers have appropriate information to manage and make decisions so that they can achieve objectives with respect to the Department's mandate, programs and business lines, support core functions and responsibilities, comply with legislation and policies, and achieve desired results.

1.3 Scope and limitation

Scope

- If information is found not to be appropriate, determine possible reasons.
- Identify decision areas (finance, human resources, partnership, client service delivery, major corporate projects) that may call for closer attention.
- Identify possible solutions and make recommendations.

Scope limitation

- The review and recommendations were confined to the Quebec Region.
- Meetings were held with all directorates in the Region except Consulting and Audit Canada and the Translation Bureau.
- The mandate assigned to the auditors did not call for an analysis of the integrity of the information produced by the various systems.

1.4 Methodology

The audit was carried out in accordance with the federal government's internal audit policies and standards. The main phases of the project were as follows:

- 1st phase – Preliminary interviews

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- September-October 2000: Conduct interviews to develop the audit program, more clearly define the mandate and enquire about management's concerns.
- 2nd phase – Review of PWGSC documentation
 - Analyze the documentation on regional committees, structure and organization in order to produce a portrait of PWGSC – Quebec Region and to refine the discussion tool / interview guide.
- 3rd phase – Discussion tool / interview guide
 - Finalize the discussion tool and submit it to managers (Appendix A: Discussion Tool) in order to prepare them for the individual and group interviews.
- 4th phase – Interviews with regional decision makers
 - Conduct interviews to gather/supplement information required to identify key issues.
- 5th phase – Preparation of report and release of results
 - Present the draft report to the Regional Office for comment;
 - Incorporate comments into the final report; and
 - Present the final report to the Audit and Review Committee.

1.5 Specific environment of PWGSC - Quebec Region

Challenges

- The need to gradually shift from a mandatory common services culture to an optional services business culture.
- Several product lines among which there is often little connection or commonality.
- Diversified client base which renders the standardization of services difficult even at the regional level.
- Increased complexity of roles and responsibilities due to the expanded use of the matrix structure. Moreover, the matrix structure often requires managers to participate in decisions involving more than one directorate and to share responsibility with other decision makers.
- Accrued complexity due to multiple technologies and incompatible information systems.

Assets

- The professionalism, commitment, integrity and dedication to corporate values displayed by Quebec Region managers make them a major asset in tackling the many challenges we face.

1.6 Specific nature of decisions made by particular directorates

Supply Operations

- Decisions made by this directorate are primarily operational in nature and relate to the management of services; the application of directives, standards and policies; and the respect of their integrity. Given that decisions are generally related to the application of directives, procedures and regulations, and the information produced by the systems is considered to be

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of satisfactory quantity and quality, this directorate's decision-making process presents few problems related to relevance of available information.

Client Services Unit (CSU)

- Because of their ties to the Centres of Expertise and clients, the CSUs are the cornerstone of the matrix structure. The decisions made by the CSUs are often qualitative in nature and are often made without all the information needed being available. Decisions related to the client are therefore a key area that warrants particular attention.

Communications Directorate

- More than any other directorate (except RPS as far as ministerial inquiries are concerned), this directorate has to make decisions that require quick analysis of the risks, issues and impact on the public. The strategic impact of these decisions may adversely affect operations. The decisions to be made are essentially projective and cannot be planned. In addition, they must be made very quickly. This directorate does not present any specific problems with respect to the relevance of information related to decision making. What makes decision making successful in this specific context is the following:
 - The ability to know what information to look for in order to quickly understand the environment and its principal strategic components.
 - The ability to access information quickly via identified, credible and tested sources.
 - Exemplary internal collaboration in providing relevant answers to questions in X amount of time.

Corporate Services, Quality and Innovation, and Human Resources

- These functional directorates advise the other directorates and support decision making by the CSUs, Regional Office and Centres of Expertise.

2 Audit Criteria

2.1 Nature of decisions

- **Nature of decisions**
 - Operational (management) and strategic (planning)
 - Based on facts and data or on intuition and experience
 - Bear on the following areas: finance, client/service delivery, human resources, major corporate projects, partnership

2.2 Nature of information

- **Nature of information**
 - Predictive: strategic choices, innovation, risk management, future oriented
 - Retrospective: performance, measurement, disparities
 - Characteristics: complete, reliable, compatible, accessible, timely, balanced, etc.

2.3 Sources of information that supports decision making

Formal sources: nature of information

- National and regional committees
- Reports, studies, business plans, directives
- Information systems
- E-mail and other documentation sources

Informal sources (not reviewed)

- Meetings and discussions with colleagues, employees and resource persons

2.4 Integration

- Degree of integration among the three pillars
- Is there a connection between decisions, information and sources? Is it appropriate?

2.5 Decision areas

- Managers are required to make many decisions, both operational and strategic, in relation to various aspects of their duties.
- These decisions relate to the following areas:
 - Finance
 - Human resources

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- Service delivery / clients
- Partnership
- Major corporate projects

3 Findings and Recommendations

3.1 Findings - Decisions

- 3.1.1 Information provided through monitoring and performance measurement mechanisms (indicators, management dashboard and follow-up on initiatives) is often insufficient for decision making purposes. This has resulted in an increased reliance on subjective decision making practices that are based on managers' knowledge and experience rather than objective information. The inadequacy of available performance information has weakened the organizations' ability to adequately advise their clients.
- 3.1.2 Information collected through client satisfaction surveys and annual visits is considered to be pertinent for decision making purposes. However, more frequent testing would increase the value of the information collected by these evaluation measures.
- 3.1.3 The CSUs do not have performance criteria, such as those established for BLJC, to enable them to compare themselves with other units or with industry standards. This lack of information impacts negatively on their ability to monitor and improve service delivery standards.
- 3.1.4 No joint post-mortem evaluation of certain recurring problems, such as those encountered during project implementation, is conducted by the CSUs and the Centre of Expertise. This situation could be addressed at meetings of the Regional Real Property Services Committee. The lack of formal feedback has had an adverse effect on planning, problem solving and, ultimately, decision making. It also leads to reactive responses to isolated problems rather than proactive responses that target improvements to the processes themselves.
- 3.1.5 The information held by the client departments (e.g. buildings, area occupied) in parallel with PWGSC's systems does not always match the information held by the CSUs.
- 3.1.6 The Region does not retain a common client information system that is accessible to all (indeed the ADM-RPS prepares a parallel client information portfolio).
- 3.1.7 The nature of available client information is primarily retrospective in nature and does not support predictive or strategic decisions. Also, the CSUs have insufficient resources at their disposal to anticipate client problems and provide solutions before the problem becomes acute (i.e., reactive vs. Preventive).
- 3.1.8 Except for major projects, dashboards are not developed to support comprehensive monitoring of the progress of work and budgeted expenditures.

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3.1.9 The limited amount of predictive information available to management makes strategic decision making difficult. Notably, in the following areas:

- Developing a business culture means helping the client to make sound decisions during the project. This can be best achieved by proactively identifying problems in order to better advise and plan, rather than just containing problems as they emerge. Strategic advice, by its very nature, should reduce the level of inherent risk associated with decision making situations.
- Insufficient management information is available for decision makers to compare PWGSC activities and performance with industry standards (e.g., what are we doing now about sustainable development?, what services should we be offering?, what services should we drop?, what services will be necessary in the future to respond to new realities?)
- There is a lack of background information for decision making purposes. Corporate culture, formerly based on control, execution and application, is shifting toward a business culture, where the advisory role is of key importance.
- Only agency functions (costs to government) are funded and recognized, not value-added functions (value to government), which relate more to the advisory role and expertise sharing. This situation tends to aggravate and perpetuate the problem of insufficient information and analytical tools to nourish strategic reflection.

3.1.10 Inadequate access to timely information renders it difficult for the CSUs to make appropriate decisions on human resources issues.

- While the Centre of Expertise invites input from the CSUs for human resources planning (identification of needs and of business volume), operational needs and client-related decisions are often complicated, even jeopardized, by delays in filling human resources requests. Numerous difficulties are also encountered in recruiting qualified resources externally.
- It is difficult to make decisions when there is an employee performance problem:
 1. There are few measurements, few tools for documenting appraisals, differences in criteria used from one supervisor to another, and few common processes for appraisals, making appraisals very subjective and hit or miss.
 2. No specific indicators are developed for the appraisal of a specialist's performance by a person who is not an expert in the field.
 3. Overall, human resources related information is fragmented and there is no formal integration process. Although statistical, socio-demographic information for long-term human resources projections is appropriate, it does not always incorporate information on clients' business volume projections or general trends. This situation impacts on the effectiveness of human resources decisions.

3.2 Findings - Information

- 3.2.1 Members of the various regional committees receive little information before meetings and the information they do receive is rarely summarized.
- 3.2.2 The data provided to the Regional Director General's Office is not always sufficiently summarized for purposes of information diffusion and decision making.
- 3.2.3 There is a great deal of data but little information available to provide an adequate context and background for decision making.
- This has resulted in a piecemeal, reactive approach to the resolution of operational problems. It also means that managing information is very time-consuming and leaves little time for reflection and decision making.
- 3.2.4 The quality of the information in the Annual Reference Level Update (ARLU) is questionable, often incompatible with information stored in the Project Business Management System (PBMS).
1. The Annual Reference Level Update (ARLU) (short-term projections) is updated by RPS and BLJC planning officers.
 2. Projections are based on inputs from previous years and there is little reflection on clients' future needs.
 3. Information on budget forecasts is often unrealistic and varies depending on the planning officer's knowledge.

3.3 Findings Decisions / Sources

- 3.3.1 While the PBMS system provides detailed project information, it does not provide client business activity summaries that managers often need to make decisions at the broader level.
1. The system provides information by project while the manager needs an overview of the client or of a subset of client projects.
 2. The use of obsolete software has resulted in cumbersome and time consuming data analysis.
 3. It is impossible to query the database in order to analyze causes or data patterns, identify potential problems, support management decisions or make projections at a more macro level. The existing data shows only whether or not something has been done. No qualitative or comparative analysis can be performed to determine where efforts should be concentrated.
 4. NHQ is currently working on standardizing reporting formats. However, the key problem is the ability to query the system and to extract information in ways that are useful for decision making.
 5. In order to provide the information they need, individual CSUs are developing their own tools based on their clients' specific characteristics.

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6. The human factor is also very important for ensuring the quality and timeliness of inputted information (project manager). Data entry under the current system is slow and laborious, which is both time-consuming and increases the possibility of information not being updated in a timely manner.

3.4 Findings - Sources

- 3.4.1 The Facilities Inventory System (FIS) provides source information on inventories that can be used to support decision making in this area. While staff members are able to consult the FIS databases, they do not have direct access to the data and requests for ad hoc reports must be submitted to authorized programmers. Also, the information contained in FIS is not always updated in a timely manner, nor is data integrity monitored.
- 3.4.2 Initiatives are being developed to improve the appropriateness of information that supports decision making. Notably, the following:
 1. Matching the leasing system and client relocation needs with renovation projects.
 2. Implementation of the Business Information Task Force (BITF) set up in order to identify information requirements and tools.
 3. Initiatives aimed at integrating the management of commercial leasing needs into a single archiving, monitoring and reporting system which would enable decision makers to trace all relevant information about a given situation or client. Also, a review of RPS's 22 information systems, many of which are incompatible and which undermine the accuracy of the data, is being undertaken.
- 3.4.3 While the role of the regional committees is not being called into question, the utility of the information for decision making purposes provided to participants raises questions as to the extent to which the committees are fulfilling their mandates.
- 3.4.4 The regional committees represent an important tool for building corporate memory and preparing the succession, and as such, they are contributing to the shift toward a business culture.
- 3.4.5 Between 25% and 60% of a manager's time is devoted to the regional and national committees. Unfortunately, a great deal of time is spent on acquiring and assimilating information, leaving little time for reflection or decision making.
- 3.4.6 Committee members consulted question the utility of the committee forum:
 1. There is a perception among many participants that the bulk of the committee's time is devoted to relatively unimportant topics, while important matters involving strategic issues are either not on the agenda or, when they are discussed, receive little attention.
 2. The committee that is the target of the most criticism is the RMC.
 3. While the mandate of many committees is to make decisions rather than to provide information or advice, almost all the regional committees are considered to be informational in nature.

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4. There is little accountability for the things that need to be accomplished (what is expected of the audience?).
5. The information to be reviewed by participants is not prepared in advance, e.g. summarized. This is done during the meetings, which often results in a great deal of wasted time.

Recommendations

1. *To improve the relevance of information, it is recommended that the ADM - RPS ensures that any systems development project (e.g. integration of Real Property Services information systems) be guided by three basic questions:*

- *What decisions do we have to make?*
- *What do we need to know in order to make these decisions?*
- *Which systems are able to efficiently and effectively support these decision making requirements?*

While efforts are already being made to improve the relevance of the information produced by the RPS information systems, the Business Information Task Force should focus on mechanisms designed to enable managers to extract information needed for decision making instead of working on a standard form or report format.

2. *To increase the relevance of the information required to support the increment of strategic decisions and to improve the advisory role with respect to the client, it is recommended that:*

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2.3) *Regional management place emphasis on the process of monitoring and gathering information in order to develop client loyalty and strengthen the corporate culture, evaluate the relevance of what is done, and identify client needs and market trends over the longer term.*

3. *To improve the relevance of information from regional committees and maximize its use, regional management should consider the following:*

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