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## **2001-711 Final Report**

### **Audit of the Delivery of a Compensation Product (Pay)**

**2002-07-17**



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## Table of Contents

<b>Executive Summary</b> .....	1
<b>1 Introduction</b> .....	5
<b>1.1 Authority for the Project</b> .....	5
<b>1.2 Objectives</b> .....	5
<b>1.3 Scope</b> .....	5
<b>1.4 Background</b> .....	5
<b>2 Issues Examined</b> .....	7
<b>2.1 Issue # 1: Management Control of Operations</b> .....	7
<b>2.2 Issue # 2: Risk Management</b> .....	7
<b>2.3 Issue # 3: Performance Results Management</b> .....	7
<b>2.4 Issue # 4: Status of Implementation of Prior Audit Recommendations</b> .....	7
<b>3 Findings, Conclusions and Recommendations</b> .....	8
<b>3.1 Management Control of Operations</b> .....	8
3.1.1 HQ CS & Regional Controls .....	8
3.1.2 RPO Controls .....	8
3.1.2.1 P&PA Recruitment, Training, and Succession Planning .....	9
<b>3.2 Risk Management</b> .....	9
<b>3.3 Performance Results Management</b> .....	10
3.3.1 Operations .....	10
3.3.1.1 Measurement of RPO Cost-efficiency .....	10
3.3.1.2 Work in Process (WIP) .....	11
3.3.1.3 Quality of processing interventions .....	12
3.3.1.4 Provision of Pay Related Direction/Information .....	13
<b>3.4 Status of Implementation of Prior Audit Recommendations</b> .....	14
<b>1 Appendix A - Main Audit Criteria</b> .....	15
<b>2 Appendix B - Follow - up Status of Prior Audit Recommendations (2000-711)</b> ...	18
<b>3 Appendix C - List of Client Interviews</b> .....	19

## **Executive Summary**

### **Authority for the Project**

This audit was approved by the Audit and Review Committee (ARC) on February 15, 2001 as part of the 2001/2002 Audit and Ethics Branch plan.

### **Objectives**

To assess the adequacy of the design and operation of key management controls that enable the cost-effective, timely and accurate management of pay processing; the identification, management, and mitigation of risks; and the achievement of reliable business line performance results.

### **Scope**

The audit was conducted at Headquarters in the Compensation Sector (HQ CS), and reviewed the delivery of pay products and processing at three Regional Pay Offices (RPOs): Atlantic (Dartmouth), Quebec (Montreal) and National Capital Area (Tunney's Pasture, Ottawa).

The audit scope focused on key accountabilities, strategies (including risk management), objectives, activities, processes, and performance results. As well, a follow-up was conducted of the status of implementation of prior audit recommendations from the Audit of the Delivery of a Compensation Product (Pay), 2000-711.

From the results of the 2000-711 prior audit, and with the agreement of the client, the regional Advisory Services and Training units were excluded from the audit scope due to low risk. Pay interventions requiring process interface with the Superannuation Directorate were also excluded.

### **Background**

The Public Service Compensation Business Line (PSCBL), Government Operational Services (GOS) administers government payroll and pension processes, develops and maintains computer systems, and provides other client support services. The PSCBL is managed via a national service office infrastructure that allows departments to administer pay and benefits as per the collective agreements and compensation policies established by Treasury Board and Separate Employers. The payroll component consists of approximately 266,000 accounts, 11.5 million input and system generated transactions, producing 9.3 million annual payments. In 1999/2000, the RPOs processed approximately 560,000 transactions or about 5% of the total volume of annual transactions.

**2001-711 Audit of the Delivery of a Compensation Product (Pay)  
Final Report**

---

A key PSCBL long-term strategy is to be appropriately positioned to meet the challenges of using Internet technology to make information and services more accessible, through the creation of a sustainable system architecture designed to maximize timely and cost-effective service delivery in parallel with implementing key Treasury Board and Separate Employers Compensation initiatives.

## **Key Findings**

### **Management Control of Operations**

HQ CS management controls over the provision of pay intervention services by the three RPOs to clients were adequate.

The Director General, Compensation Sector and the Director, Pay Operations and Service Management (POSM) have adequate management controls over the National Capital Area (NCA), Compensation Processing Division (CPD).

Management was in the process of addressing a number of key operational issues in the NCA, Compensation Processing Division (CPD) associated with controls over Pay and Pension Agent (P&PA) workload distribution and productivity levels. Management was fully aware of this situation and we noted improvements were already underway during the audit. These improvements, particularly cultural change, will require some time before the full benefits will be realized.

In the Atlantic and Quebec Regions, regional management controls over the delivery of pay services are effective with sound communications and common objectives being in place at each level of the organization. P&PAs were found to be highly motivated, workload was properly distributed, and regularly monitored.

In the Quebec RPO and NCA CPD there were effective methods being used to enable new P&PAs to fully integrate and achieve competence. In the Atlantic RPO this particular issue was not prevalent as staff turnover, over the next three years, was expected to be minimal.

In all RPOs, effective and consistent methods and controls to identify job-specific learning and development needs of P&PAs are not in place.

The Atlantic RPO and NCA CPD have current and adequate succession planning information on each employee's retirement plans to support continuity of operations. Quebec RPO management were in the process of updating this information to ensure its reliability.

### **Risk Management**

Managers at HQ CS, and in the NCA, Atlantic and Quebec Regions have been effective in identifying and managing key strategic, operational, and project risks for the pay component of the PSCBL.

**2001-711 Audit of the Delivery of a Compensation Product (Pay)  
Final Report**

---

Strategies and plans are underway within HQ CS to modernize the provision of pay services consistent with user needs. In the interim, however, a current threat and risk assessment has not been undertaken of the existing Regional Pay System (RPS) (Reference : TBS, Government Security Policy, Feb. 1, 2002, section 10.7 Security Risk Management). This assessment would provide HQ CS management with important information to enable the effective management of these risks, while ensuring ongoing continuity of the RPS operations.

**Performance Results Management**

Current performance measures focus on timeliness and responsiveness of services. Nationally, PSCBL key payroll results indicators and information are insufficient to assess the efficiency of each Regional Pay Office (RPO) in delivering services to clients.

At the HQ CS and regional levels, management information is deficient in the following areas:

- Job specific training and development needs analysis, strategy and plans for P&PAs; and
- Quality of work being performed by P&PAs in processing interventions.

Our interviews with a sample of key clients from the NCA, Atlantic and Quebec Region revealed their satisfaction with the services provided by P&PAs. Clients were also satisfied with the information available on the Compensation Web Site. They suggested a number of enhancements which were being fully considered by HQ CS.

**Follow up of the Implementation of Prior Audit Recommendations: Audit of the Delivery of a Compensation Product (Pay) (2000-711)**

Since the conclusion of the prior audit conducted in the Ontario, Western and Pacific RPOs, we found the implementation status of the recommendations to be as follows:

- HQ CS has fully addressed enhancing RPOs' performance results reporting by issuing direction for preparing the Pay Office Intervention and Advisory Services Reports;
- The development and implementation of specific performance results in the PRAS to assess "cost-effective pay processing" and "knowledgeable compensation specialists" is no longer considered by management to be key PSCBL performance results. The 2001/02 PRAS for the PSCBL and the former performance results have undergone some revisions since this prior audit;
- Management has advised that electronic accessibility to the Western Region P&PA training and desktop procedures by all RPOs should be completed shortly upon receipt of electronic files; and
- Implementing a national automated tracking system for client inquiries, relative to all regional Advisory Services units, is not expected to be funded due to other Sector priorities.

**Conclusions**

With few exceptions the design and application of management controls over RPO pay operations were found to be adequate. The exceptions noted by the audit team involve controls relative to work distribution, productivity and the systematic identification of job-specific P&PA learning and development needs.

**2001-711 Audit of the Delivery of a Compensation Product (Pay)  
Final Report**

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Risks in many key areas have been identified and are generally being effectively managed and mitigated. However, a current threat and risk assessment of the Regional Pay System is needed to ensure continuity of operations.

Although HQ CS and regional managers have performance results information to assess the timeliness of pay processing, further efforts are needed in the following areas:

- identifying and assessing performance results for cost-efficiency of each RPO,
- developing comprehensive plans that identify job-specific learning and development needs for P&PAs, and
- implementing improvements designed to support the achievement of consistent quality and proficiency of P&PAs in processing interventions, thereby contributing to increased productivity.

## **Recommendations**

It is recommended that:

1. *To improve the effectiveness of management controls over pay operations in the RPOs, the ADM, GOS should undertake the following actions:*
  - *Ensure the undertaking of a current threat and risk assessment of the Regional Pay System;*
  - *Further refine and implement national performance measures to assess cost-efficiency of the RPOs;*
  - *Encourage the RPOs to develop and implement comprehensive plans to assess the job-specific learning and development needs of P&PAs; and*
  - *Issue guidance to the RPOs to promote consistent quality and proficiency by P&PAs in processing interventions.*

## **1 Introduction**

### **1.1 Authority for the Project**

This audit was approved by the Audit and Review Committee (ARC) on February 15, 2001 as part of the 2001/2002 Audit and Ethics Branch plan.

### **1.2 Objectives**

To assess the adequacy of the design and operation of key management controls that enable the cost-effective, timely and accurate management of pay processing; the identification, management, and mitigation of risks; and the achievement of reliable business line performance results.

### **1.3 Scope**

The audit was conducted at Headquarters in the Compensation Sector (HQ CS), and reviewed the delivery of pay products and processing at three Regional Pay Offices (RPOs): Atlantic (Dartmouth), Quebec (Montreal) and National Capital (Tunney's Pasture, Ottawa).

The audit scope focused on key accountabilities, strategies (including risk management), objectives, activities, processes, and performance results. As well, a follow-up was conducted of the status of implementation of prior audit recommendations from the Audit of the Delivery of a Compensation Product (Pay), 2000-711.

From the results of the 2000-711 prior audit, and with the agreement of the client, the regional Advisory Services and Training units were excluded from the audit scope due to low risk. Pay interventions requiring process interface with the Superannuation Directorate were also excluded.

### **1.4 Background**

The Public Service Compensation Business Line (PSCBL), Government Operational Services (GOS) administers government payroll and pension processes, develops and maintains computer systems, and provides other client support services. The PSCBL is managed via a national service office infrastructure that allows departments to administer pay and benefits as per the collective agreements and compensation policies established by Treasury Board and Separate Employers. The payroll component consists of approximately 266,000 accounts, 11.5 million input and system generated transactions, producing 9.3 million annual payments. In 1999/2000, the RPOs processed approximately 560,000 transactions or about 5% of the total volume of annual transactions.

**2001-711 Audit of the Delivery of a Compensation Product (Pay)  
Final Report**

---

Overall the GOS business strategy organized around the four following themes:

- Business line evolution to adapt services and delivery to meet changing needs
- Specialized expertise of employees
- Key linkages with public and private sector organizations
- Maintaining public trust.

A key PSCBL long-term strategy is to be appropriately positioned to meet the challenges of using Internet technology to make information and services more accessible, through the creation of a sustainable system architecture designed to maximize timely and cost-effective service delivery in parallel with implementing key Treasury Board and Separate Employers Compensation initiatives.

In pursuit of this strategic direction, it is critical that the delivery of regional pay services continue to strive towards efficiency in performing the key activities with the appropriate functional direction from Headquarters Compensation Sector management.



## **2 Issues Examined**

The issues of significance outlined below were carried forward from the Preliminary Survey to be pursued in the Detailed Examination Phase of the audit.

### **2.1 Issue # 1: Management Control of Operations**

*Are HQ and each region's management controls adequate to ensure the cost-effective, accurate and timely provision of regional pay services to clients ?*

*Are strategies, plans and initiatives adequate to ensure continuity of competent resources for providing effective pay services and support to clients ?*

### **2.2 Issue # 2: Risk Management**

*Are there adequate plans, controls, information and initiatives enabling the effective management of strategic, operational, systems, and project risks and are there timely and appropriate actions to mitigate these risks ?*

### **2.3 Issue # 3: Performance Results Management**

*Is available information adequate to support the achievement of objectives, plans and performance results for the PSCBL (Pay) ?*

*Is HQ Compensation Services effective in providing timely, reliable direction/information to RPOs and Clients that is readily available, easily retrievable, and understood ?*

### **2.4 Issue # 4: Status of Implementation of Prior Audit Recommendations**

*Has sufficient progress been made in implementing the recommendations from the prior Audit of the Delivery of a Compensation Product (Pay), 2000-711 ?*

### **3 Findings, Conclusions and Recommendations**

The consolidated findings, conclusions and recommendations are presented below under each issue heading.

#### **3.1 Management Control of Operations**

##### **3.1.1 HQ CS & Regional Controls**

HQ CS management controls over the provision of pay intervention services by the three RPOs to clients were adequate.

The Director General, Compensation Sector and the Director, Pay Operations and Service Management (POSM) have adequate management controls over the National Capital Area (NCA), Compensation Processing Division (CPD).

In the Atlantic and Quebec Regions, regional management controls over the delivery of pay services are effective with sound communications and common objectives being in place at each level of the organization.

Overall, clients interviewed (See Appendix C, p. 19) indicated they were satisfied with Pay and Pension Agent (P&PA) services in the three RPOs.

##### **3.1.2 RPO Controls**

Management was in the process of addressing a number of key operational issues in the NCA, CPD associated with controls over P&PA workload distribution and productivity levels. This situation stemmed from inconsistent communications, some imbalance between operational delivery and human resource issues, and inadequate performance from specific P&PAs. Management was fully aware of this situation and we noted improvements were already underway during the audit.

Overall, there are effective operating controls and practices in place in the Atlantic and Quebec RPOs. Workload is properly distributed and closely monitored. There are effective programs in place to ensure the ongoing competency of P&PAs, who are highly motivated. The RPOs are highly responsive and their overall Primary Edit Error Rate for processing interventions is less than 2.5 %. (Note: A Primary Edit Error Rate of less than 4 % is a generally accepted standard within the RPOs for a proficient P&PA.).

### **3.1.2.1 P&PA Recruitment, Training, and Succession Planning**

In the Quebec RPO and the NCA CPD, there is an effective program to integrate new P&PAs and enable them to achieve competence in their work. In the Atlantic RPO, there are no current significant issues as staff turnover for the next three years is forecasted to be minimal.

In the three RPOs, comprehensive learning and development needs of P&PAs are not being regularly assessed. In the past, managers relied on each individual to identify their training and development needs. Comprehensive P&PA training plans could be formulated from an assessment of the job-specific competency profiles.

The Atlantic RPO and NCA CPD have current and sufficient succession planning information on each employee's retirement plans. In the Quebec RPO, although succession planning information was not current at the time of the audit, regional initiatives were underway to rectify this situation.

## **Conclusion**

With few exceptions the design and application of management controls over RPO pay operations were found to be adequate. The exceptions noted by the audit team involve controls relative to work distribution, productivity and the systematic identification of job-specific P&PA learning and development needs.

## **Recommendation**

- 1. It is recommended that the ADM, GOS encourage the RPOs to develop and implement comprehensive plans to assess the job-specific learning and development needs of P&PAs.*

## **3.2 Risk Management**

Managers at HQ CS, and in the NCA, Atlantic and Quebec Regions have been effective in identifying and managing key strategic, operational, and project risks for the pay component of the PSCBL.

Strategies and plans are underway at Headquarters CS to modernize the provision of pay services consistent with user needs. In the interim, however, a current threat and risk assessment has not been undertaken of the existing Regional Pay System (RPS) (Reference : TBS, Government Security Policy, Feb. 1, 2002, section 10.7 Security Risk Management). This assessment would

provide HQ CS management with important information to enable the effective management of these risks, while ensuring ongoing continuity of the RPS operations.

## **Conclusion**

In most instances there are adequate plans, controls, information and initiatives enabling the effective management of strategic, operational and project risks. There was evidence of timely and appropriate actions to mitigate these risks.

However, to ensure continuity of Regional Pay System operations, a current threat and risk assessment is needed by HQ CS to be fully aware of the significance of those risks associated with the potential for a major system breakdown or failure. This information would assist in determining the measures, if any, that should be undertaken to ensure RPS continuity and ongoing performance.

## **Recommendation**

2. *It is recommended that the ADM, GOS ensure the undertaking of a current threat and risk assessment of the Regional Pay System.*

### **3.3 Performance Results Management**

Current national performance results that are in place and actively monitored focus on timeliness and responsiveness of pay services to clients.

The Director, POSM, receives from the Manager, NCA CPD information on key components of the operations. In Atlantic & Quebec Regions, the RDG, RD, and Manager, Compensation receive appropriate and sufficient information to enable the effective, ongoing delivery of RPO Services to regional clients. In most instances, at each level of the organization, managers have identified the information needed to manage and control operations. However, the audit identified a number of key information needs that had either not been addressed or required further improvement. These information needs are outlined under Subsection 3.3.1 Operations

#### **3.3.1 Operations**

##### **3.3.1.1 Measurement of RPO Cost-efficiency**

In the past year, senior HQ CS management revised some of the key performance results for the Public Service Compensation Business Line (PSCBL). The revisions included a change in one of the key performance results in the Performance Reporting and Accountability Structure (PRAS) from

**2001-711 Audit of the Delivery of a Compensation Product (Pay)  
Final Report**

---

cost-effectiveness to cost-efficiency. Managing within budget was identified by CS management as the performance measure for cost-efficiency. This measure is inadequate, as it is actually an effectiveness, rather than an efficiency, measure. Regional management did not have specific performance measures to assess the cost-efficiency of RPO operations. HQ CS derives the budgetary funding for the RPOs from the volume of accounts and historical funding levels, rather than productivity standards and achievement of cost-efficient performance results.

Productivity and salary cost standards could be implemented in the RPOs as HQ CS has both reliable and readily available systems generated information to move in this direction. Other examples of viable standards for efficiency would include: average volume of interventions processed per P&PA; acceptable Primary Edit Error Rate; volume of intervention activity per account; average P&PA salary cost per intervention processed; and average RPO salary cost per intervention processed.

## **Conclusion**

Information to enable achievement of cost-efficiency is inadequate to enable achievement of the PSCBL objective as per the current PRAS performance measure.

## **Recommendation**

3. *It is recommended that the ADM, GOS further refine and implement national performance measures to assess cost-efficiency of the RPOs.*

### **3.3.1.2 Work in Process (WIP)**

The monthly Work in Process Report (WIP) enables managers at HQ and the regions to assess the overall timeliness of P&PAs in processing outstanding interventions within national standards. As an indicator of performance it provides a "monthly snapshot" which may prompt management to take timely corrective action, when needed. Although this information is provided to HQ CS in a timely manner, audit sample tests of the integrity of the information being reported identified the following concerns:

#### *Accuracy of physical count:*

The Atlantic RPO & NCA CPD physical count of outstanding interventions by P&PAs was reliable. However, the Quebec RPO's physical count of outstanding interventions by P&PAs was inaccurate and understated by 5.88 % (23 of a total of 391 outstanding interventions were not included).

**2001-711 Audit of the Delivery of a Compensation Product (Pay)  
Final Report**

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*Accuracy of reporting of Priority I (Supplementary Payment) and Priority II (Adjustment) Interventions:*

The recording by P&PAs of the physical count for Priority I and II outstanding interventions was accurate in the Quebec RPO. However, in the other two RPOs inaccuracies in recording Priority I and II interventions by P&PAs were noted, as follows:

- NCA CPD, 8 of 104 instances or 7.69 %;
- Atlantic RPO, 12 of 48 instances or 25.0 %.

*Accuracy of reporting the actual lateness of interventions:*

The recording by P&PAs of the actual lateness periods for outstanding interventions was inaccurate and understated, as follows:

- Quebec RPO, 33 of 368 cases or 8.97%. The lateness period for outstanding interventions did not exceed 37 working days;
- Atlantic RPO, 6 of 48 outstanding interventions or 12.5%. The lateness period for outstanding interventions did not exceed 21 working days; and
- NCA CPD, 26 of 104 outstanding interventions or 25.0%. The actual lateness period in 24 of the 26 outstanding interventions did not exceed 20 working days. The remaining two outstanding intervention were 146 and 77 working days late respectively (one employee).

Some P&PAs are not dedicating sufficient attention and rigor to completing this monthly report and the information reported by P&PAs was not being randomly validated by the supervisor(s).

## **Conclusion**

The overall integrity of the RPO monthly report and its information for decision making may be flawed in the areas noted above. Therefore, the usefulness of the report to management will continue to be affected unless these deficiencies are addressed. Periodic desk audits and random verification by supervisors of the information submitted by P&PAs would further enhance the overall accuracy and integrity of the monthly WIP performance information.

### **3.3.1.3 Quality of processing interventions**

There was insufficient information and mechanisms in place to assess the quality of interventions processed by P&PAs. The RPS Pay User Interface Report identifies the primary edit error rate per P&PA. However, this reliable monitoring and assessment tool was not in consistent use by all RPOs.

Aside from regular monitoring by experienced P&PAs of the accuracy and quality of processing interventions by new P&PAs, there were limited methods in use to assess the quality of work performed by most P&PAs. Implementing measures such as peer review, desk audits, periodic monitoring by supervisors of the work

being performed, and consistent use and analysis by supervisors of RPS Pay User Interface Reports per P&PA would contribute to increased productivity, improved accuracy, and P&PA proficiency.

## **Conclusion**

To ensure sufficient importance and rigor is being dedicated by P&PAs to the quality associated with processing interventions accurately and efficiently, HQ CS needs to provide the RPOs with guidance on this important issue.

## **Recommendation**

4. *It is recommended that the ADM, GOS issue guidance to the RPOs to promote consistent quality and proficiency by P&PAs in processing interventions.*

### **3.3.1.4 Provision of Pay Related Direction/Information**

Pay and Pension Agents and clients interviewed were satisfied with the Personnel Pay Input Manual's (PPIM) organization and quality of information.

Clients interviewed (See Appendix C, p. 19) in the three regions expressed their satisfaction with the Compensation Web Site. However, clients identified the following areas where further enhancements could be beneficial:

- i Improvements in the overall usefulness of the search engine on the Web Site;
- ii The need for an electronic index record of amendments (Directives, PPIM, etc.);
- iii A need for linkages to key components of other Compensation Web Sites from the PWGSC CS site;
- iv References in each broadcast message to the relevant directives, communiqués, etc. (NCA & Atlantic)
- v Pop-up narratives for RPS data entry fields, within the PPIM (Atlantic & NCA).

Although content and quality of CS Web information are not an issue, clients believe further enhancements would increase the effectiveness of the site.

## **Conclusion**

The Compensation Services Sector has been effective in providing timely and reliable direction/information to clients and RPO users that is readily available, easily retrievable, and understood. HQ CS management plans to give full consideration of the clients' suggestions to improve the CS Web Site.

### **3.4 Status of Implementation of Prior Audit Recommendations**

Appendix B contains detailed information on the status of implementation of recommendations from the prior Audit of the Delivery of a Compensation Product ( Pay), 2000-711.

## **Conclusion**

As noted in Appendix B HQ CS has shown steady progress in implementing the recommendations from the aforementioned prior audit.



## **1 Appendix A - Main Audit Criteria**

### Management Control Framework

#### **A) Environment**

##### *External Factors:*

1.1 Managers should be working towards the achievement of broader government objectives and monitoring their progress.

##### *Organization Structure:*

2.1 Roles, responsibilities, and accountabilities for service delivery should be clearly defined and understood.

2.2 There should be adequate control mechanisms to indicate whether the organization structure promotes cost-effective service delivery.

##### *Rules:*

3.1 In an environment of increased partnering, adequate control mechanisms should ensure the integrity and transparency of service delivery processes.

##### *Culture:*

4.1 There should be adequate controls to ensure employees are being sufficiently trained, developed, and are competent to perform their responsibilities.

#### **B) Management Control of Operations**

##### *Planning:*

1.1 Managers should have adequate mechanisms to identify the organization and resources needed to deliver programs and quality services cost-effectively to clients.

##### *Execution:*

2.1 Service delivery direction should be clearly communicated and understood.

##### *Evaluation:*

3.1 There should be sufficient controls to enable evaluation of progress to achieving broader federal government objectives.

3.2 Business Line service delivery direction, rules, and communications should be observed.

3.3 Adequate control mechanisms should be in place to enable Business Line performance results in the PWGSC PRAS are accurately reported and analysed.

3.4 Performance results, practices, and processes should be assessed.

## **C) Management Control of Projects**

### *Planning:*

1.1 Major projects should be properly planned with adequate consideration of contingencies.

### *Execution:*

2.1 Major projects should be implemented using a consistent process that does not significantly compromise the rules and ensures integrity, openness, fairness, and transparency.

### *Evaluation:*

3.1 Major projects should be monitored and assessed in terms of the achievement of project objectives, performance results, and identifying areas for improvement.

## Risk Management

### **A) Strategy**

#### *Political and external:*

1.1 There should be a process/ framework in place to regularly and openly communicate with stakeholders easily accessible information on operations, risks and risk tolerances.

1.2 Environmental scanning should be done on a regular basis and results input to strategic plans.

#### *Horizontal and Operational:*

2.1 Responsibilities and accountabilities for managing risk should be clear, well communicated, understood and followed.

2.2 Senior management should be identifying key risk areas in conjunction with the planning processes and allocation of resources.

#### *Operational and Project:*

3.1 Risk decisions should be appropriately documented and in line with controls, policies and procedures.

#### *Culture:*

4.1 Risk management should be considered in all major decisions and be proactive in anticipating emerging risks, opportunities, and developing mitigation plans.

### **B) Operational**

#### *Strategic and Human Resources:*

1.1 Risk management should be aligned with strategic planning and be an integral part of business/ operational and mitigation planning.

**2001-711 Audit of the Delivery of a Compensation Product (Pay)  
Final Report**

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*Information Processing and Financial:*

- 2.1 Risk assessment should be an integral part of business process and service delivery improvements.
- 2.2 The cost/benefit of controls should be considered regularly in implementing risk management practices.

**C) Management Control of Projects**

*Management and Development:*

- 1.1 Potentially moderate to high risk files, issues, or projects should be properly planned with adequate consideration of risks and contingencies.

*Management, implementation and technical:*

- 2.1 Potentially moderate to high risk files, issues, or projects should be implemented using a consistent process that does not significantly compromise the rules, minimizes risk, and ensures integrity, openness, fairness, and transparency.

*Management:*

- 3.1 Potentially moderate to high risk regional files, issues, or projects should be monitored and assessed in terms of the achievement of project objectives, including client satisfaction.

## 2 Appendix B - Follow - up Status of Prior Audit Recommendations (2000-711)

**Recommendation # 1 (2nd part only):** The ADM, GOS implement a comprehensive learning program to achieve full integration and competence of P&PAs, based on the Western RPO initiatives.

**Status:** An electronic database of material developed by RPOs was created and made available to all Training Officers on shared drive (P). The Western Region training program and desktop procedures manual will be provided to all RPOs once automation has been completed.

**Disposition:** No further follow-up is required. Considered resolved pending receipt of electronic files from Western Region containing Desktop Procedures.

**Recommendation # 2:** *The ADM, GOS enhance RPOs' reporting of PSCBL performance results by developing and implementing indicators for "cost-effective pay processing" and "knowledgeable compensation specialists".*

**Status:** An initiative has been undertaken for the modernization of pay and pension systems. One area that will be examined is developing electronic service-level measurement tools and indicators to measure cost-effective pay processing. The 2001/02 PRAS has been amended with respect to "cost effectiveness" and "knowledgeable compensation specialists" commitments/performance indicators and therefore this recommendation is no longer valid as it relates to supporting the publicly published performance information.

**Disposition:** No action required as recommendation was based on the previous PRAS which since the audit has been revised.

**Recommendation # 3:** *The ADM, GOS enhance RPOs' performance results reporting by issuing direction for preparing the Pay Office Intervention and Advisory Services Reports.*

**Status:** HQ CS issued further direction for preparing the Pay Office Intervention Report clarifying the monthly reporting requirements.

**Disposition:** Resolved.

**Recommendation # 4:** *The ADM, GOS, in concert with the ADM, RPS, implement a common comprehensive system in the RPOs for recording, tracking, and reporting on client inquiries, based on the Pacific RPO initiative.*

**Status:** HQ CS had intended on implementing the Client Compensation Inquiry System (CCIS) as a mechanism for creating an electronic database of material for all regions. However, funding was curtailed midyear, therefore funding has been requested for fiscal year 2002/03.

**Disposition:** *Funding not available.*

**3 Appendix C - List of Client Interviews**

<b>Regions</b>	<b>Clients Interviewed</b>
Atlantic	<ul style="list-style-type: none"><li>- Fisheries and Oceans Canada</li><li>- Human Resources Development Canada</li><li>- National Defence</li></ul>
Quebec	<ul style="list-style-type: none"><li>- Correctional Service of Canada</li><li>- Human Resources Development Canada</li><li>- Veterans Affairs Canada - Ste-Anne</li></ul>
National Capital Area	<ul style="list-style-type: none"><li>- Department of Foreign Affairs and International Trade</li><li>- Human Resources Development Canada</li><li>- Public Works and Government Services Canada</li><li>- Statistics Canada</li></ul>