

Office of the Auditor General of Canada

Internal Audit Report

Classification and Compensation

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Janet Jones, Director Internal Audit
Subhas Roy, Author
Barbara Atwill, Contributor
Leo Major, Contributor

1.0 Executive Summary

Introduction

Strategic Planning and Professional Practices group conducted an internal audit of classification and compensation according to the Office of the Auditor General's annual internal audit plan, approved by the Auditor General and the Audit Committee for 2004-05.

Conclusion

In all material respects, the Office of the Auditor General's classification and compensation activities are conducted with due regard for its policies, adequate controls, and great professionalism.

Background

The *Auditor General Act* establishes the Office as a separate employer and authorizes the Auditor General to prepare classification standards and exercise the powers of the Treasury Board for personnel management, including compensation.

Audit Objectives and Scope

The objective of this internal audit was to provide assurance to the Auditor General that the Office complies with its policies and that there are adequate controls to ensure due regard for these policies. The scope included the compensation and classification activities and processes of 2003-04. We tested a sample of classification and compensation actions.

Opportunities for Improvement

Some opportunities for improvement exist. These include:

- Developing a formal instrument of delegation of Human Resources authorities;
- Improving documentation to support classification decisions;
- Improving guidance for salary upon appointment; and
- Acquiring an up-to-date Human Resources Management Information System that is current with government human resources modernization initiatives.

Management Response

The audit identifies strengths and opportunities for improvement in the administration of compensation and classification activities, and as such has provided useful guidance. We agree with the recommendations. A plan is being developed for the acquisition of a new Human Resources Management System. We expect to be able to implement the required changes for the remainder of the recommendations over the next 12 months.