



# Highlights



## Public Service Commission 2005-2006 Annual Report

October 2006

*The Public Service Commission (PSC) is an independent agency reporting to Parliament, mandated to safeguard the integrity of the public service staffing system and the political neutrality of the public service. In addition, the PSC recruits qualified Canadians from across the country.*

Our Annual Report presents the results of the PSC's oversight of departmental and agency staffing activities during fiscal year 2005-2006.

Overall, the PSC continues to have confidence in the integrity of staffing in the public service and the foundation of merit that is the basis for hiring, although some areas of concern remain.

### Implementing the new **Public Service Employment Act (PSEA)**

■ Our oversight activities confirm that the essential elements are in place to start to modernize human resources (HR) management in the public service.

- However, the PSC considers that departments and agencies will need to confront three particular challenges early in the transformation of staffing:
  - HR planning;
  - developing the community of HR professionals; and
  - ensuring timely information to support management decisions and accountability.
- At the time of the coming into force of the new Act, the PSC concluded that a majority of organizations would be ready to assume staffing delegation and its related accountability.

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- We signed Appointment Delegation and Accountability Instruments (ADAI) with deputy heads. As of December 31, 2005, this covered 80 deputy heads, all of whom were in a position to exercise their delegated authorities according to the conditions and restrictions prescribed by the PSC.

## Ensuring non-partisanship

### Political activities

- A politically neutral public service is an essential element of Canada's system of government, and is recognized as a cornerstone of good governance.
- The new PSEA sets out expectations regarding the political activities of public servants, recognizing the need to balance the rights of employees to engage in political activities with the principle of an impartial public service.
- Overall, we continue to find little direct political influence in the staffing system.
- The PSC will monitor, assess, and report on the state of political impartiality in the public service. This will enable us to manage risks to non-partisanship, and to take remedial measures if necessary.

## Movement of individuals between the public service and ministers' offices

- Investigations conducted by the PSC in 2005-2006 revealed that two individuals working in ministers' offices, and on leave from the public service, had been appointed to "phantom" positions. Instead of performing the duties of these positions, they had immediately left on a leave of absence to assume their duties within the ministers' staff. The PSC concluded that the appointments to these "phantom" positions was an inappropriate use of delegated authorities. The appointments were revoked.

- Over the last 10 years about 100 public servants have worked in ministers' offices without a break in service. This movement is not controlled or monitored – a gap that needs to be addressed.

## Serving Canadians

### National area of selection

- The new PSEA authorizes the PSC to establish geographic areas of selection that determine eligibility for appointment to the federal public service.
- To support the use of a national area of selection (NAOS), which will provide Canadians with greater access to public service employment, the PSC deployed the Public Service Resourcing System (PSRS) to all its regional offices in the fall of 2005. PSRS is expected to help organizations manage the larger volumes of applications anticipated as a result of the expanded use of NAOS.
- Our initial focus was on all National Capital Region officer-level jobs open to the public. Effective April 1, 2006, the mandatory use of NAOS was extended to all officer-level job postings open to the public in the National Capital Region in federal organizations where appointments are made in accordance with the PSEA.
- In June 2006, the PSC expanded the use of NAOS in selected organizations in Alberta and Quebec on a pilot basis. The goal is to establish NAOS for all officer-level jobs open to the public across Canada by April 2007 and for all remaining positions by December 2007.
- Direct access to PSRS, without having to go through the PSC, will allow for even greater efficiencies. The PSC has already implemented a direct access pilot with the Department of National Defence as an early adopter. A rollout strategy is in place for future expansion of the direct access model to other organizations.

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## Second language evaluation

- The PSC is responsible for all second language evaluation in the public service. We develop, administer and score evaluation instruments that measure reading, writing and oral interaction skills in a person's second official language.
- Testing volumes have increased in all three areas.
  - Reading: up 27.7% (from 20 610 in 2004-2005 to 26 319 in 2005-2006)
  - Writing: up 24.0% (from 23 347 to 28 950)
  - Oral interaction: up 13.0% (from 20 291 to 22 963)
- In keeping with the need for ongoing maintenance and updating, and to respond to concerns expressed by candidates and other stakeholders, in 2005-2006 the PSC took steps toward modernizing its second language evaluation tools and practices. This includes the Second Language Oral Interaction Test, which has not changed substantially since 1984. The modernized test will be available for use in 2007-2008, with partial implementation beginning in the fall of 2007.
- Additional work has focussed on a new procedure for handling cases involving repeated attempts to pass the Oral Interaction Test. The Oral Interaction Review Board has been created to review individual cases on a case-by-case basis and make specific recommendations, such as suggestions for more training and/or alternative forms of testing. Piloting of the Oral Interaction Review Board procedure was initiated in 2005-2006; additional pilots are planned for the upcoming year.

## Staffing activities

### Overall staffing activities

- The creation of the Canada Border Services Agency (CBSA) on December 12, 2003 brought 9 102 employees into the PSC's jurisdiction as of March 2005. This increased the PSEA population from 170 989 to 184 818, an 8.1% increase.
- Overall hiring and staffing activities, including CBSA, increased by 22.8% over the previous year. Not including CBSA, there was a 13.4% increase in hiring and staffing activities. (CBSA appointments accounted for 7.7% of the total activities.)
- In 2005-2006, the real growth of the public service was 1.5% (without CBSA).
- The PSC's assessment of staffing activities included 79 federal organizations with 177 971 employees and an additional 6 847 casual workers as of March 31, 2006. These organizations conducted a total of 100 230 staffing actions.
- As of March 2006, 6 847 casual employees were employed in the 79 organizations we assessed. This is an increase of 44.9% (without CBSA) from March 2005.
- The PSC remains concerned about the fairness of the movement from casual to permanent appointment. Many of these appointments are made without considering a broad range of candidates, thus raising the issue of unfair advantage in accessing public service jobs.
- In 2005-2006, 17% of new employees appointed to term and indeterminate positions had a recent history of casual employment.

## Employment equity

- Overall, the composition of the public service reflects the workforce availability for three of the four employment equity (EE) groups: women, persons with disabilities and Aboriginal peoples.
- There has been an increase in the numbers of visible minorities in the public service. Their representation as of March 31, 2005 was only 8.1%, despite their workforce availability of 10.4%.
- We have also been monitoring the appointment of visible minorities to the EX group and remain concerned about the persistent gap in the representation of visible minorities in the executive cadre.
- The PSC is studying the barriers to better understand and address the gap between application and appointment rates for visible minorities.
- A collaborative effort between the PSC and 11 organizations on an open executive-level generic selection process, targeted to members of visible minorities, provides a model in meeting Executive Group EE challenges. As of the end of February 2006, we had successfully established a pool of 41 pre-qualified visible minority executives at the EX-01 level. Hiring managers have made 18 EX appointments directly from this pool since April 2006. As of August 1, 2006, 13 additional candidates were being actively considered by various departments.

## Executive appointments

- With the implementation of the new PSEA, the PSC has, for the first time, delegated virtually all Executive Group appointments (which includes EX levels 01 through 05) to deputy heads. However, we have retained the authority to appoint ministerial staff priorities to the Executive Group, as well as the authority to appoint members of the Governor General's exempt staff in priority to others to the Executive Group.
- The number of EX appointments in 2005-2006 (including new appointments, promotions and acting appointments) increased by 14.4% from last year, including CBSA. The increase in EX appointments was 11.2% without CBSA.
- The increase in the number of appointments is not a result of growth in the EX cadre. The higher rate of EX appointments is related to persons changing jobs within the level and to the filling of positions left vacant by departures from the public service.

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## Priority entitlements

- Among the provisions of the new PSEA and *Public Service Employment Regulations* are clauses that provide an entitlement, for limited periods, for certain classes of persons who meet specific conditions, to be appointed in priority to others. Priority entitlements help individuals cope with career transitions due to various life and employment events, such as work force adjustment, becoming disabled, returning from extended leave, and relocating with one's spouse or common-law partner.
- Overall 1 109 persons met the conditions to be considered for priority appointment in 2005-2006. This is in addition to the 1 044 persons whose priority entitlements were carried over from the previous fiscal year. The PSC's priority system oversaw the appointment of 675 priority persons in 2005-2006.

## Conclusion

The 2005-2006 fiscal year was an eventful period for Canada's public service. The implementation of the new PSEA demands a cultural change in the way departments and agencies approach staffing – a transformation that will not happen overnight. The Act is to be reviewed five years after its coming into force. Its success in modernizing the public service staffing system will depend on the united leadership and support of deputy heads, departments and agencies, managers and public service employees.

