



Public Service Commission
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Audit of Readiness for the New *Public Service Employment Act*

A Report by the Public Service
Commission of Canada

October 2006



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*All of the audit work in this report was conducted
in accordance with the legislative mandate and audit policies
of the Public Service Commission of Canada.*

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Summary

1. The new *Public Service Employment Act* (PSEA) came into force on December 31, 2005. With further staffing authorities delegated to deputy heads of organizations, there is now more flexibility to develop the types of processes that allow organizations to better meet their strategic objectives and carry out their human resources plans.
2. This audit focussed on determining whether a selection of departments and agencies had met the essential elements designed to support the coming into force of the new PSEA prior to its implementation. We focussed particularly on delegation agreements, mandatory policies, training of sub-delegated managers and human resources advisors, communication and monitoring processes.
3. Overall, we found that the selected departments and agencies had met the essential elements for the coming into force of the new PSEA. The success was largely due to the concerted efforts of all those in the community: sub-delegated managers, human resources advisors, deputy heads, the Public Service Commission (PSC) and the Public Service Human Resources Management Agency of Canada (PSHRMAC). However, being “ready” for the new PSEA does not ensure that there will be no problems, or that the appointment values will be respected. The process of change is just starting and there are significant challenges ahead that will have to be dealt with if full implementation is to be a success.
4. Prior to the coming into force of the new PSEA, it was anticipated that deputy heads would be required to undertake further activities to continue the momentum for change. These “Moving Forward” activities include the development of staffing options to improve the efficiency and responsiveness to organizational needs; integrated business and human resources planning; continued training for managers, human resources advisors and employees; and continued improvements to policies and support activities.
5. Our audit confirmed the need for deputy heads to provide ongoing leadership for implementing the “Moving Forward” activities and reinforced the importance of their ongoing support for the capacity-building of human resources advisors. The audit also revealed the need to improve the reliability and timeliness of human resources data to support monitoring of staffing activities and accountability reporting.

Introduction

6. The new *Public Service Employment Act* (PSEA), which came into force December 31, 2005, is an important component of the modernization of human resources management in the public service of Canada. The intent is to allow the appointment process to be more adaptable and efficient. Also, it is intended that there will be more room for managers to exercise judgement in carrying out appointment processes and in making appointment decisions.
7. Under the PSEA, the Public Service Commission (PSC) has the authority to make appointments to and within the public service. The PSEA enables the PSC to delegate this authority to deputy heads. Deputy heads have signed Appointment Delegation and Accountability Instruments (ADAI)s with the PSC and have been encouraged to sub-delegate these authorities to as low a level as possible within their organizations. As part of the delegation instruments, the PSC has set performance expectations for departmental staffing activities and has identified the results to be attained rather than the processes to achieve these results. In turn, departments are to report to the PSC on the implementation of their appointment authorities and the results achieved.
8. The PSC developed essential elements that departments and agencies had to have in place before the new PSEA came into force at the end of 2005 (**see Exhibit 1**). The essential elements included the new delegation instruments, policies, training and communication, and accountability and reporting requirements. The PSC monitored progress reported by departments and agencies in putting in place these essential elements prior to delegating appointment authorities to deputy heads, pursuant to the new PSEA.
9. “Moving Forward” activities that were expected to take place subsequent to the coming into force of the PSEA were established and communicated to deputy heads to continue the momentum for change. We chose to conduct this audit at this stage of the implementation of the new PSEA in order to support the management of change through the early detection of potential problems.

Exhibit 1: Essential elements to support the coming into force of the new PSEA

Delegation	<p>Deputy heads have signed an Appointment Delegation and Accountability Instrument (ADAI) with the PSC on the delegation of appointment authorities. Deputy heads will have considered the following elements:</p> <ul style="list-style-type: none"> ■ written sub-delegation of appointment authorities has been given to managers/human resources (HR) advisors who will be exercising these authorities as of the coming into force date; ■ sub-delegated managers/HR advisors have undertaken the necessary value-based training and have access to tools to take on this new authority; and ■ sub-delegated managers have access to HR advisors whose expertise in the appointment framework has been validated by the PSC.
Policies, Programs and Processes	<p>Organizations must be able to conduct staffing within the new legislative and policy context and requests. Also, organizations have approved their mandatory PSC policies and criteria for:</p> <ul style="list-style-type: none"> ■ area of selection (including National Area of Selection); ■ revocation and corrective action; and ■ criteria for non-advertised processes.
Training and Communication	<p>All employees of the organization have been informed about the legislated changes, and organizational staffing policies, strategies and approaches and how to participate in staffing and recourse activities. Specifically, organizations should consider the following elements:</p> <ul style="list-style-type: none"> ■ managers are aware of their roles and responsibilities, whether they have delegated staffing authorities; ■ HR advisors are aware of their roles and responsibilities; ■ employees are aware of how to participate in staffing and recourse activities; and ■ all stakeholders, including bargaining agents are aware of the organization's staffing policies and programs.
Accountability and Reporting	<p>Organizations are able to track and monitor their staffing activities internally.</p> <p>Organizations must gather the following data on their staffing activities, at a minimum:</p> <ul style="list-style-type: none"> ■ use of investigation, corrective action and revocation; ■ use of the <i>Public Service Official Languages Exclusion Approval Order</i>; ■ acting appointments over 12 months; ■ appointments of casual workers to term or indeterminate status through non-advertised processes; ■ appointments through non-advertised processes; and ■ use of national area of selection. <p>Organizations are able to respond to central reporting requirements (to the extent that the PSC and PSHRMAC have communicated these requirements).</p>

Source: This information has been reformatted and condensed from the PSC Web site.

Focus of the audit

10. The objective of this audit was to determine whether a selection of departments and agencies had met the essential elements prior to the implementation of the new PSEA. This audit focuses on overall issues and not necessarily on the selected organizations. As a result, each observation does not necessarily apply to every organization.
11. We looked at readiness in six organizations: Department of National Defence (DND), Health Canada, the Royal Canadian Mounted Police (RCMP), the Public Service Commission (PSC), the Office of the Privacy Commissioner (OPC) and the Military Police Complaints Commission (MPCC). We selected the six organizations to represent large, medium and small organizations and those with a regional presence. Our selection also took into account recent and planned audits, studies and monitoring by the PSC, in order to ensure a balanced coverage of organizations. During the period of this audit, departments and agencies were making the transition from the old PSEA to the new PSEA.
12. Four of the six organizations operate across the country and two in the National Capital Region. Two of the organizations (DND and RCMP) have members who are not appointed under the PSEA supervising those who are. At the time of coming into force of the new PSEA in December 2005, four of the departments and agencies we audited had standard ADAIs in place with the PSC. This was not the case for the OPC and the MPCC. The PSC had imposed conditions on their delegated appointment authorities as a result of concerns identified in previous audits of these organizations prior to the coming into force of the new Act. As a result of its follow-up audits of the OPC and the MPCC, done concurrently with this audit, the PSC removed the special conditions it had imposed and has established standard ADAIs with these two organizations.
13. We reviewed and analyzed relevant documents from the PSC and the selected organizations, including written policies, procedures, tool kits, training and information packages, Internet and e-mail communications, and minutes of management and union-management meetings. We conducted interviews and focus groups at headquarters and in regions with human resources management, human resources advisors, and delegated and non-delegated line managers involved in appointment activities. To reduce the burden of reporting for the six organizations, we drew on data already collected by the PSC Policy Branch, including Departmental Staffing Accountability Reports.
14. The audit covered the period from January 1, 2005 to March 31, 2006. The new PSEA came into force three months before the end of this period. Staffing activities and appointments under the new PSEA were only being implemented at this time, and consequently, the audit did not include a review of completed appointment processes by which to measure compliance. At this stage there can be no assurance that the accountability instruments, policies and training provided have led to changes in practices. This will be a question for subsequent audits.
15. For details, see **About the audit** at the end of this report.

Observations

Appointment Delegation and Accountability Instruments were signed with all departments and agencies

16. The PSC has delegated most of its staffing authorities to deputy heads. Delegation allows an organization to manage its own staffing and recruitment needs in the most efficient and effective manner. It also allows the organization to streamline staffing processes according to its particular needs; managers can initiate and approve actions within their own areas of responsibility, in accordance with sub-delegated authorities.
17. We expected the organizations to have a signed ADAI with the PSC. The PSC developed a standard form for the ADAI identifying:
 - the appointment and appointment-related authorities being delegated by the PSC to the deputy head of the organization;
 - the authorities that can be sub-delegated by the deputy head;
 - the conditions of delegation; and
 - how the deputy head will be held accountable.
18. As of coming into force on December 31, 2005, all 80 departments and agencies subject to the PSEA at that time had signed ADAIs. Five of these ADAIs had special conditions, including two that were part of the organizations selected for this audit – the OPC and the MPCC.

Organizations are customizing their sub-delegation of appointment authorities to managers

19. In its preamble, the new PSEA states that appointment and appointment-related authorities should be sub-delegated to *“as low a level as possible within the public service, and should afford public service managers the flexibility necessary to staff, to manage and to lead their personnel to achieve results for Canadians.”* We expected written sub-delegation of appointment authorities to have been given to managers and human resources advisors who would be exercising these authorities.
20. We found that managers in the selected organizations who received sub-delegation authority each have a written sub-delegation agreement with their deputy head. These agreements identify their specific authorities and are based on their organization’s ADAI.

21. Further, we found that the organizations we audited had each taken a different approach to sub-delegation, based on their particular circumstances (see Exhibit 2).

Exhibit 2: Approaches to sub-delegation

- DND individualized sub-delegation approaches for different parts of the Department, according to operational requirements.
- Health Canada sub-delegated extensively to lower levels of management (cost centre managers) for non-executive appointments.
- The RCMP sub-delegated to human resources advisors only at this time and are studying the possibility of sub-delegating to managers in the future.
- The PSC structured sub-delegation by managerial level, with greater delegation at higher levels of management.
- The MPCC and the OPC, both smaller organizations, sub-delegated to senior managers and to human resources respectively.

Source: PSC Audit Branch

22. For three organizations in our selection, an annex to their ADAIs allows for sub-delegation to persons outside the jurisdiction of the organizations' deputy heads.
- DND requested and received special approval from the PSC to sub-delegate its staffing authorities to managers who are not appointed under the PSEA and who manage civilian employees appointed under the PSEA (that is, Canadian Forces personnel who manage civilian employees). The approval was granted from May 1, 2006 to May 31, 2007 and will be subject to assessment by the PSC.
 - Health Canada is permitted to sub-delegate appointment and appointment-related authorities to Interchange Canada participants. These are individuals from other levels of government, non-governmental organizations or the private sector who are on temporary assignment with the federal government. The authority was granted from April 25, 2006 to May 31, 2007 and will be subject to assessment by the PSC.
 - At the RCMP the appointment-related authority to administer the oath or solemn affirmation may be sub-delegated to regular or civilian members of the RCMP. No end date has been specified for this authority.
23. In our opinion, the customized approach adopted by the organizations in our selection indicates that they have been striving to sub-delegate in the spirit of the new PSEA, and have recognized the need to take into account their own organisational requirements.

Mandatory policies and criteria have been developed

24. The ADAI requires that in exercising their delegated authorities, deputy heads and their sub-delegated managers and human resources advisors ensure that appointment decisions respect the appointment values and adhere to the requirements of the new PSEA, other relevant legislative authorities, and the PSC's appointment policies. The PSC established 11 broad appointment policies to support the new PSEA.
25. The PSC appointment policies require deputy heads to establish certain policies and criteria which were reflected in the essential elements for the coming into force of the new PSEA. We expected organizations to have approved their mandatory appointment policies and criteria for: Area of Selection (including National Area of Selection); Revocation and Corrective Action; and the criteria for Non-advertised Processes.
26. We found that the departments and agencies had approved their own mandatory appointment policies and criteria for the required areas. Senior management approved the policies, and employee and management representatives contributed to their development. Managers and staff were informed about policies during their training and information sessions, by e-mail and/or on organizational Intranet sites.
27. Deputy heads have the flexibility to establish appointment processes and programs designed to meet their own organizational needs. These processes and programs are expected to be based on policies that respect the values of fairness, access and transparency, and ensure that statutory and central agency requirements are respected.
28. Some departments and agencies developed additional policies and procedures in such areas as deployments, informal discussion, advertisements and notification of appointments, monitoring and reporting, and administration of oaths and affirmations.
29. The PSC Area of Selection policy sets out requirements for internal and external staffing processes for determining the geographic location of potential candidates. During our interviews and focus groups, one of the greatest concerns raised by sub-delegated managers and human resources advisors when discussing this policy was an amendment effective April 2006 about the use of a National Area of Selection (NAOS). The amendment extended the requirement to use a NAOS for all officer-level jobs open to the public in the National Capital Region. When the new PSEA came into force, a NAOS was only required for external recruitment to executive-level positions and for the two levels below.
30. The concerns raised by human resources advisors and sub-delegated managers focussed on the time they anticipated it would take to process expected higher volumes of applications and the expected higher costs associated with conducting such appointment processes.

31. The PSC Appointment Framework requires that deputy heads actively monitor their staffing systems and practices to systematically determine whether their organization is meeting the PSC policy requirements. Active monitoring is designed to support continuous improvements to policies and support activities (e.g. tools, learning, communication, etc.). The PSC will conduct ongoing reviews of its policies to identify areas needing clarification or improvement.

Extensive efforts were taken to provide training

32. We expected sub-delegated managers and human resources advisors to have had access to the necessary values-based staffing training and to have the tools to implement this authority.
33. **Sub-delegated managers.** The selected organizations developed and implemented a learning strategy for human resources modernization. Depending on the organization and the individual requirements, the training period was one to three days (see Exhibit 3).

Exhibit 3: Approaches to training sub-delegated managers

- Senior managers received their training through individual briefings, small group sessions or courses established for managers.
- Other managers usually received their training in seminars delivered by their organization or the Canada School of Public Service.
- In organizations where managers were already delegated some staffing responsibilities, they offered a one-day overview of the changes to the PSEA.
- Training of regional personnel took various forms. Some organizations sent headquarters personnel across the country to provide training and briefing sessions to managers and human resources advisors. Other organizations had regional personnel come to headquarters or made use of video conferences and e-learning.

Source: PSC Audit Branch

34. In the four organizations selected for audit that had sub-delegated staffing authority to managers, this authority was granted only after they had received training. Organizations are maintaining lists of sub-delegated managers and the training they received.
35. Evaluations of the training were generally positive with respect to information about changes under the new PSEA. Nonetheless, managers expressed concern about the extent of information covered in their training and the heavy focus on the technical changes associated with the new PSEA. Special mention was made of the need for more training in areas such as: informal discussion; how to develop merit and asset criteria; and how to assess the qualifications of applicants against these criteria.

36. Some organizations have responded to managers' concerns by offering additional training. DND and the PSC developed and delivered courses on informal discussion. The PSC also provided internal training on the establishment and application of merit criteria.
37. **Human resources advisors.** In their learning strategies on human resources modernization and the implications of the PSEA, the organizations took into account the needs of the human resources advisors.
38. In three of the organizations in our audit, the human resources advisors retained their sub-delegation status for appointments. Health Canada and the PSC sub-delegated appointment responsibilities to managers and mandated their human resources advisors to provide guidance.
39. As with the sub-delegated managers, training was usually mandatory for human resources advisors. They received initial training through information sessions hosted by the PSC. Further training was provided by the Canada School of Public Service or individual departments. For example, DND and the RCMP established their own training programs for human resources advisors. DND's human resources advisors and human resources assistants attended a three-day course focussing on the appointment values, roles and responsibilities, the Appointment Framework, establishing merit criteria, staffing methods and the mandatory policies. At the RCMP, all human resources advisors were required to attend a five-day training session which was a prerequisite for sub-delegation.
40. Once trained, human resources advisors were formally granted sub-delegation authority. Organizations are maintaining lists of sub-delegated individuals and the training they received.
41. Human resources advisors we interviewed were positive about the training provided through the PSC information sessions entitled "Get Ready" offered during 2005-2006. These sessions were given in the National Capital Region (NCR) and across Canada. In all, about 3 200 participants from across the public service attended – about 1 300 from the NCR and 1 900 from the regions. The participation number is greater than the number of human resource advisors since some attended more than one session in the series and some human resources professionals working in other domains also attended these training sessions.
42. Human resources advisors we interviewed said that they look forward to the return of the PSC "SmartShop" sessions where topical issues are discussed, concerns raised and information shared among departments and agencies. The PSC plans to re-introduce the "SmartShops" in the NCR in October of 2006 and in the regions by March 2007.
43. **Transition takes time and support.** While sub-delegated managers and human resources advisors have received training on what they have to do, some have uncertainty on how they will do it. Some managers voiced concerns about the increased accountability and administrative burden that comes with their sub-delegated responsibilities. Another concern was that some managers and human resources advisors are seen as being risk-averse, more prescriptive, less flexible and still operating as if the old legislation was in place.

44. Many questions are being asked by sub-delegated managers and human resources advisors. Some of the areas of concern most often noted include:
- determining an appropriate area of selection, including a national area of selection;
 - screening and assessing candidates and appropriately handling the volume of applications;
 - collective staffing and the use of candidate pools; and
 - developing a rationale for using a non-advertised appointment process.
45. Sub-delegated managers would normally direct their questions to their organization's human resources advisors. If they did not have an answer, the human resources advisors would normally check within their organization. Ultimately, the question might be raised with experts at the PSC.
46. Human resources advisors and sub-delegated managers voiced both strong praise for knowledgeable and timely advice and frustration at delays and inadequate responses from their departmental human resources experts and/or the PSC. Some organizations have set up mechanisms to respond to questions from sub-delegated managers and human resources advisors (see **Exhibit 4**).

Exhibit 4: Mechanisms established to support change management

- The PSC has established a group of staffing advisors at headquarters who are responsible for responding to questions from HR advisors.
- Health Canada received temporary funding for one year to train and provide a number of human resources advisors, identified as *Public Service Modernization Act* Coordinators, to respond to questions from human resources advisors and managers.
- The RCMP's Public Service National Staffing Centre responds to questions from human resources advisors.
- DND has well defined and structured networks supported by champions who communicate on a regular basis, either by conference calls or in person, to discuss issues and concerns.
- In regions we found that there were inter-departmental meetings to discuss appointment-related issues and ways to respond to them. Respondents noted that these meetings allow organizations to share best practices and work cooperatively to meet common challenges.

Source: PSC Audit Branch

47. Some human resources advisors and managers indicated that there is a need for additional guidance and tools to assist them in exercising their delegated responsibilities. This is often the case experienced by organizations in the early stages of adopting new systems and practices. The new PSEA and Appointment Framework require human resources advisors and managers to make more values-based decisions and provide rationale for them. This is a departure from the previous legislation that was more rules-based.

48. Both the PSC and departments and agencies have a role in monitoring the effectiveness of existing guidance and tools designed to support the Appointment Framework, and in determining the need for any improvements. In our opinion, as a general principle, where uniformity in practice is important, the PSC should take the lead in developing guidance and tools to be used by all. However, where flexibility is more important, individual organizations should take the lead.
49. There is a wealth of information on departmental and PSC Web sites on the new PSEA. However, human resources advisors and managers interviewed found the PSC Web site difficult to navigate to find answers to their specific questions. As a result of this audit, the PSC has committed to reviewing the communication of its guidance and making improvements where needed.
50. In our opinion, during the period of transition, there is a need to provide information on a regular basis. This allows for the necessary reorientation and redefinition of what is taking place and helps to ensure that guidance and information is readily accessible so that change will become engrained in behaviours.

Human resources advisors have passed the required Appointment Framework Knowledge Test

51. We expected sub-delegated managers to have access to human resources advisors whose expertise in the Appointment Framework has been validated by the PSC.
52. The PSC developed an Appointment Framework Knowledge Test (AFKT)—a standardized knowledge test for validating a human resources advisor’s expertise in the Appointment Framework. The test assesses knowledge of all components of the Appointment Framework (policy, delegation and accountability) and the legislative framework.
53. Government-wide, as of March 31, 2006 of the 1 500 individuals who took the AFKT, 1 466 (98 percent) passed. Most of the human resources advisors in the organizations selected for audit had passed the Test. They noted that the need to pass the Test forced them to study and better understand the new PSEA.
54. Human resources advisors we interviewed called for a certification program so that they may remain knowledgeable, develop their expertise and be better able to provide guidance and monitoring as required.
55. Responsibility for certification of human resources advisors has shifted over the past 27 years between being a central agency and a departmental/agency responsibility. The new PSEA brought significant changes to the appointment process and the PSC determined that the existing Staffing Certification Program was no longer appropriate under the new PSEA.

56. Organizations that wish to certify their human resources specialists may develop their own programs. For example, DND and the RCMP have training and certification programs for their human resources advisors and have updated them to reflect the new PSEA. Not every organization has the resources to undertake such a program on its own. The Canada School of Public Service also offers courses for human resources advisors.
57. **Access to human resources advisors.** Human resources advisors and some sub-delegated managers expressed strong concerns about the access to experienced human resources advisors. They noted that there were problems servicing the needs of clients due to a variety of factors such as promotions, transfers, and retirements. The ability to attract and retain human resources specialists needed to implement the new PSEA is an issue across the public service.
58. Between April 2005 and March 2006 the human resources/personnel (PE) occupational group across the public service experienced a 48 percent internal movement of personnel, with some 1 560 promotions and lateral movements in a community of 3 250 individuals. The internal movement was most pronounced at the junior levels (PE 01 and 02) at 75 percent. At the main working levels in departments (PE 03-05) internal movement averaged 47 percent.
59. In the PE occupational group, 9 percent of the employees are in their twenties and 38 percent are over 50 years of age. The result is a combination of new, less experienced personnel and personnel who will become eligible for retirement over the next five years. The PSC, in conjunction with the Public Service Human Resources Management Agency of Canada (PSHRMAC) and the Interdepartmental Human Resources Capacity Building Working Group of the Human Resources Council, are doing some collective staffing for the PE community to begin addressing this challenge. Collective staffing allows managers to collaborate with managers in other departments/agencies to undertake staffing processes.
60. Vacancies and movement of human resources advisors within and between organizations result in a reduced capacity to provide services to their clients. There is a loss of corporate memory. New human resources advisors have to learn about the specific needs of their clients and develop effective working relationships.
61. Human resources advisors play an important role in the successful implementation of the new PSEA. The demographics of the community and the movement of advisors within the community present capacity-building challenges for both individual organizations and the public service at large.

Employees have been informed about the new PSEA

62. We expected organizations to have informed their employees about the legislated changes and organizational staffing policies, strategies and approaches and how to participate in staffing and recourse activities.
63. We found that organizations had developed strategies to inform staff about the changes to the PSEA and the implications for employees. They communicated directly with their staff, primarily through information sessions.
64. Large organizations with regional offices put significant effort into these communication exercises. As of March 31, 2006, the RCMP had provided information sessions to about 1 360 managers and employees. The PSC ran one-day sessions for 900 employees across Canada, explaining new roles and responsibilities, the new appointment system, human resources plans and policies and informal discussion. As of mid-February 2006, more than 2 400 DND managers and 3 300 employees had attended training and information sessions on the new staffing regime.
65. Additional information was provided to employees through departmental Web sites (with links to central agency Web sites), e-mails, bulletins and publications. DND distributed an easy-to-read summary entitled *Staffing Modernization at DND: A Handbook for Employees* that covers the critical elements of the new PSEA. It includes an example of a statement of merit criteria and an overview of the appointment process. There is also a shorter brochure entitled *New Ways and Means, the new PSEA* which outlines the changes in the Act and how they will impact both DND civilian employees and Canadian Forces members.
66. The needs of regional staff were not forgotten. Depending on the size and location of staff, organizations generally met their communication needs through local information sessions run by either headquarters or regional personnel. DND also used management meetings and staffed information booths. In some organizations there was a higher dependence on the use of Web sites to get the message out to regional employees.

Data integrity concerns can have an impact on monitoring and reporting

67. Tracking allows managers and human resources advisors to know the current status of an appointment process. Monitoring activities involve the ongoing review of staffing activities in relation to plans, procedures and performance standards, to determine whether or not these activities are carried out or function as planned and whether they are producing the desired results. Monitoring enables human resources management and ultimately the deputy head to identify the need for corrective action; this is a way of managing and minimizing risk and improving the appointment process. We expected organizations to have set up a process to track and monitor their staffing activities internally and to meet the standards set and respond to central reporting requirements.

68. As part of the essential elements for coming into force of the PSEA, organizations were required, at a minimum, to gather the following data on their staffing activities:
- use of investigation, corrective action and revocation;
 - use of the *Public Service Official Languages Exclusion Approval Order*;
 - acting appointments over 12 months;
 - appointments of casual workers to term or indeterminate status through non-advertised processes;
 - appointments through non-advertised processes; and
 - use of national area of selection.
69. While still in the early stages of the new PSEA, we found that the organizations had set up manual and automated processes to track and monitor their staffing activities. However, we are concerned about the effectiveness of these processes in adequately supporting monitoring and central reporting requirements.
70. Tracking and monitoring appointments on a consistent basis requires each item to be coded and entered into the organization's human resources information system in a common and consistent fashion. Staffing process codes used by many departments needed to be changed to reflect the new PSEA. These codes are used to describe appointment actions in departmental human resources information systems; they become the foundation for producing reliable information to support monitoring of staffing activities and accountability reporting.
71. Human resources advisors and human resources information systems specialists identified concerns about possible inconsistencies in the way appointments are coded into the various departmental systems. Unclear guidance about the coding requirements for certain types of new appointment actions and the high turnover of human resources information systems specialists in some departments were identified as contributing factors.
72. Staffing assistants play a key role in this area; they complete the paperwork associated with appointment processes and collect data about staffing activities. The assistants received basic training on the new PSEA through attendance at courses for employees, and some received more detailed training from the Canada School of Public Service or from their own organizations. However, this training did not specifically address the roles and responsibilities of staffing assistants regarding data quality. In order to respond to concerns about coding, DND drafted new training materials for their human resources assistants on their human resources management system, aimed at improving the quality of data input.

73. Organizations also noted that data collection required by the various central agencies is time-consuming and sometimes beyond the capacity of their existing human resources information systems. The problem is more difficult for those organizations that have older “legacy” systems that require costly reprogramming in order to respond to new demands. Often the demands result in the need for time-consuming manual reporting. The situation is further complicated by a government moratorium on expenditures for improving existing human resources information systems and a delay in establishing a new government-wide system.
74. The PSC, in carrying out its oversight activities under the new PSEA, noted problems in data quality and timeliness of reporting generally across all organizations. Overall, organizations were not able to meet the PSC reporting deadline of the end of April 2006 for submitting their first quarter reports under the new PSEA. While substantively all organizations reported by the end of June 2006, the PSC found problems with both data quality and completeness. The PSC is analyzing these data quality issues, is planning to share the results of this analysis with organizations and is committed to clarifying its reporting requirements, as appropriate.
75. In addition to supporting monitoring and central reporting requirements, reliable and timely data is needed to support human resources planning. As part of developing human resources plans, organizations are expected to consider past staffing activities.

Moving Forward

76. At the time the PSC established ADAIs with deputy heads to delegate staffing authority under the new PSEA, it was recognized that more work would be needed to continue the momentum for change. These “Moving Forward” activities include the continuation of some actions contained in the essential elements for the coming into force of the PSEA, such as the need for continued emphasis on training managers, human resources advisors and employees, and the need to make continuous improvements to tools, learning and communication. The results of this audit support the need for these planned activities.
77. The “Moving Forward” activities also introduce new actions that need to take place to continue implementing the new PSEA, including the expectation that organizations will make progress on developing human resources plans. The PSC developed a broad appointment policy framework with the expectation that deputy heads would undertake human resources planning, including staffing strategies, within their organizations, in accordance with the Employer (Treasury Board) policy. Human resources planning, linked to organizational and business planning, is key to a manager’s ability to make appointment decisions quickly and in accordance with the appointment values. In our opinion, senior-level involvement is required to lead this change.

78. The “Moving Forward” activities were communicated to deputy heads in August 2005 (see **Exhibit 5**). However, no timelines were established for the implementation of these activities. As a result of this audit, the PSC has committed to working with departments and agencies, the human resources community and PSHRMAC to establish timelines for the “Moving Forward” activities.
79. In addition to implementing the “Moving Forward” activities, ongoing leadership from deputy heads is needed to ensure progress is made in the areas of building human resources capacity and improving the quality of data. Progress in these areas should strengthen their ability to meet the requirements of the Staffing Management Accountability Framework that forms part of their ADAIs.

Recommendation

In accordance with their Appointment Delegation and Accountability Instruments, deputy heads should provide ongoing leadership to support the full implementation of the PSEA with particular attention to:

- implementing the “Moving Forward” activities;
- developing a reasonable level of human resources advisors with appropriate staffing expertise to support sub-delegated managers; and
- improving the reliability and timeliness of data to support monitoring of staffing activities and reporting.

Source: This information has been reformatted from the PSC Web site.

Exhibit 5: Moving Forward activities that must take place subsequent to the coming into force of the new PSEA in order to continue the momentum for change.

Delegation	<p>While one of the goals of the new PSEA is to delegate appointment authorities to managers at as low a level as possible, it is not expected that all organizations will have sub-delegated the new appointment authorities to all managers in the organization by the coming into force date. However, organizations should have a plan to further sub-delegate these authorities to managers at lower levels within the organization and to prepare them to exercise these authorities.</p> <p>It is expected that there will be:</p> <ul style="list-style-type: none"> ■ mechanisms in place to inform stakeholders (i.e. sub-delegated officials, employees and bargaining agent members) of the ADAI, all departmental policies, sub-delegation terms and conditions; ■ mechanisms to consult stakeholders; and ■ mechanisms to involve senior management in human resources (HR) decision-making.
Policies, Programs and Processes	<p>The new PSEA provides flexibility for a variety of staffing options. It is expected that organizations will develop and enhance their staffing options over time to improve efficiency and responsiveness to organizational needs. It is also expected that progress will be made in integrating business and HR planning and that staffing programs and activities will increasingly be based on organizational HR planning that addresses both current and future needs.</p> <p>This means, for example, that employment equity action plans are integrated with staffing strategies.</p>
Training and Communication	<p>It is expected that there will be continuing emphasis and plans for training of managers, HR advisors and employees to assist them to enhance, develop and apply new skills and knowledge linked to the legislation over time. It is expected that all organizational employees will be informed in an ongoing fashion of staffing plans, programs, policies and approaches.</p>
Accountability and Reporting	<p>It is expected that organizations will monitor, assess risks and report on staffing matters and make continual improvements to policies and support activities (e.g. tools, learning, communication etc.) based on assessment of information obtained through monitoring and related activities.</p> <p>This means, for example, that it is expected organizations will ensure that:</p> <ul style="list-style-type: none"> ■ staffing information is available within the organization for strategic planning purposes, to address key risk areas and for policy development purposes; ■ a monitoring process is in place to identify staffing trends, results and performance issues as well as to assess risk; and ■ organizational practices ensure reliability of the information in the HR system.

Source: This information has been reformatted from the PSC Web site.

Conclusion

Departments and agencies need to continue the momentum for change to fully implement the new PSEA

80. The audit determined that overall, the organizations selected had fulfilled the essential elements for implementation of the new *Public Service Employment Act* (PSEA). Delegation and sub-delegation authorities have been established. Organizations have approved mandatory policies and set up processes to track and monitor staffing activities and respond to central reporting requirements. They have provided basic training to managers and human resources advisors on the new PSEA, and most human resources advisors have passed the Public Service Commission (PSC) Appointment Framework Knowledge Test. Employees have also been informed about the legislated changes and how to participate in staffing and recourse activities.
81. Progress to date is largely due to the concerted efforts of sub-delegated managers, human resources advisors, the human resources community, deputy heads, the PSC and Public Service Human Resources Management Agency of Canada. The process of change is just starting and there are significant challenges ahead that have to be dealt with if full implementation of the new PSEA is to be a success.
82. At the time the PSEA came into force in December 2005, “Moving Forward” activities were identified to continue the momentum for change. Our audit confirmed the need for implementing these activities. The audit also reinforced the importance of ongoing leadership from deputy heads to support capacity-building of human resources advisors, and the need to improve the reliability and timeliness of human resources data to support monitoring of staffing activities and accountability reporting.

Overall response of the selected organizations

We received responses from the deputy heads of the organizations selected for audit. They have accepted the audit findings contained in this report and have agreed to implement the audit recommendations within their respective organizations.

About the Audit

Objective

The objective of the audit was to determine whether selected organizations had met the essential elements for the implementation of the new *Public Service Employment Act* (PSEA). We focussed particularly on mandatory policies, delegation agreements, training of managers and human resources advisors, and communication on the new Act and its implications. We also identified early progress made in non-critical areas, and identified innovative approaches which reflect the changes intended by the new legislation.

Scope and approach

The audit covered the period from January 1, 2005 through March 31, 2006.

We reviewed and analyzed relevant documents, including written policies, procedures, tool kits, training and information packages, Internet or e-mail communications on changes, and minutes of management and union-management meetings. We conducted interviews and focus groups at headquarters and in the regions with human resources management, human resources advisors and with delegated and non-delegated line managers involved in appointment procedures. To reduce the burden of reporting for the audited organizations, we drew on the data already collected by Public Service Commission Policy Branch and Internal Audit.

Criteria

The criteria were based on a PSC/Public Service Human Resources Management Agency of Canada communication to deputy heads of August 23, 2005 dealing with essential requirements for coming into force of the PSEA.

1. The organization has a signed Appointment Delegation and Accountability Instrument (ADAI) with the PSC.
2. Written sub-delegation of appointment authorities has been given to managers and human resources advisors who will be exercising these authorities.
3. Sub-delegated managers and human resources advisors have access to the necessary values-based training and have the tools to implement their new authority.

4. Sub-delegated managers and human resources advisors have access to human resources advisors whose expertise in the Appointment Framework has been validated by the PSC.
5. The organization has approved its mandatory appointment policies and criteria for: Area of Selection (including National Area of Selection); Revocation and Corrective Action; and the criteria for Non-advertised Processes.
6. The organization has informed its employees about the legislated changes, organizational staffing policies, strategies and approaches and how to participate in staffing and recourse activities.
7. Organizations have set up a process to track and monitor their staffing activities internally to meet the standards set and respond to central reporting requirements.

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