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## EXECUTIVE SUMMARY

### Introduction

The British Columbia Regional Office (BCRO) is one of six regional offices in the Department of Justice that provides legal advice to federal departments and agencies located outside of Ottawa. These offices are responsible for most of the Government's criminal prosecution and litigation work in the provinces and territories. Since 1995, the Department of Justice has been organized into a portfolio management structure that includes all major legal service delivery areas (e.g. taxation, citizenship and immigration, and Aboriginal affairs). The BCRO is structured to meet regional requirements and is organized into legal service delivery groups based on the Headquarters portfolio structure. The organization is headed by a Senior Regional Director (SRD) who reports directly to the Deputy Minister of the Department of Justice.

Corporate services such as information technology, human resources, and finance and administration are provided to the SRD and the legal services delivery groups by the Business Management Group (BMG) and Human Resources Group (HRG). Directors of both these groups have a line reporting relationship to the Senior Regional Director and a functional reporting relationship to their respective functional heads in Headquarters.

The objectives of this audit were to review and assess:

- the adequacy of the management framework in place including processes and practices related to planning, organizing, controlling, directing and communicating, and the management of human, financial, and materiel resources;
- the reliability of information systems for decision-making and accountability purposes;
- the extent of compliance of procedures and practices with applicable legislation, regulations and key central agency/departmental policies, including the *Financial Administration Act* (FAA);
- the level of services provided to regional office staff;
- the appropriateness of interfaces with other sections of the regional office and the Department of Justice at Headquarters.

The audit covered all of the operations and activities of the Business Management Group in the BCRO. Specifically, the audit addressed the following key issues:

- the level of functional direction received from Headquarters for each of the functions performed under the Business Management Group;
- the controls and level of active monitoring of financial transactions adequate to minimize risks and ensure compliance with Treasury Board policies;
- sufficient segregation of duties in the initiation, approval, and payment of financial obligations.

The planning and fieldwork for this audit were carried out between August and November 2005.

### **Regional Management Framework**

**Governance and Organization.** At the time of the audit a formal Business Management Review was under way in the Business Management Group. The new Director (who arrived in April 2005) had initiated the review in order to define the corporate services being provided, establish priorities, and identify opportunities for improvements in business processes in the BMG. We found that the organization is most at risk in the areas of information holdings and finance. We note that the Director of the BMG needs to review the functions of the Financial Services group and consider reorganizing responsibilities for the financial functions of the group.

The audit team supports the Business Management Review process and agrees that organizational change is required in the BMG. However, we found that there were communications issues with respect to both implemented and anticipated changes. Staff interviewed indicated that while they understood their roles and responsibilities, they did not fully understand the reasons for the organizational changes that have been implemented. Once the Business Management Review is complete, further changes in the BMG will be forthcoming. Improved communication and consultation with staff are required to assist them in adapting to these changes.

Functional direction from Headquarters is improving in most areas. However, the corporate vision for the delivery of corporate services at the regional level could be better developed, communicated, and implemented in the regions. The management framework for the BMG is being developed and implemented as the organization changes. Communications between the groups in the BMG have improved.

**Planning and Budgeting.** In the BCRO planning and budgeting processes are being reviewed and adjusted. Business plans were not prepared for the 2005/06 fiscal year and, were prepared for the previous fiscal year, were not monitored. The Director BMG is focusing on a team approach to the management of the budgeting process with a view to improving financial management in the region.

The Business Management Review is an important analysis of the service offerings and business priorities of the BMG. The preliminary draft report from the Business Management Review recommended identifying the core business, the key strategic and business priorities, the major clients, and the policy and procedural framework for the group. This review process is crucial and must be completed to be fully effective. The audit team is supportive of the initiative and the effort involved.

**Training.** Training has improved from two perspectives. First, Headquarters functional areas are providing more courses to assist the corporate services areas in the Department. Secondly, the Director BMG is supportive of increased staff training, which staff told us is a positive change.

**Regional Performance Measurement.** There is a need for well-designed and consistently implemented performance measures to better indicate to BCRO management the quality of service provided by BMG and to identify the areas that need improvement. As identified in the Business Management Review, there is a need to develop performance standards and to report on results of monitoring these standards.

## Summary of Recommendations

Action is recommended to:

- ensure an appropriate division of financial responsibilities with respect to accounting and financial management and reporting;
- communicate more fully with staff when introducing organizational changes;
- continue with the team approach regarding the management of the budgeting process;
- address specific issues documented in the draft report of the Business Management Review;
- develop performance standards and monitor these standards as part of the management control framework for the region.

## **Financial Services**

**Financial Management Framework.** The BCRO has developed and implemented local procedures and best practices for financial management. However, cost recovery and the analysis of financial information for reporting are key issues for the Financial Services group. There is concern that the Responsibility Centre (RC) managers in the legal service delivery areas have not always fully understood the financial status reports provided by the Financial Services group. Managers of the legal service delivery areas do not have complete confidence in the financial services provided by the BMG.

**Financial Controls.** The audit team conducted tests to verify the compliance of expenditure transactions with financial control requirements (i.e. sections 32, 33, and 34 of the FAA). Overall, the results indicate a financial control risk because of the level of errors and irregularities found. The BMG needs to make improvements in order to comply with the requirements of the FAA and to ensure the integrity of the financial process.

We found that the Financial Services group in the BMG is at times performing the Section 34 FAA expenditure verification activities that should be done by RC managers in the legal service delivery areas. As a result, there can be no active monitoring or accurate reporting by the group on the effectiveness of RC managers in carrying out Section 34 approvals. Furthermore, without monitoring it is not possible for Financial Services to identify issues and take early remedial action where significant deficiencies are encountered or improvements are needed. Remedial action could include suspension of delegated authority and provision of training.

## **Summary of Recommendations**

Action is recommended to:

- further improve the regional financial management function;
- apprise Headquarters of the issues pertaining to cost recovery processes and procedures;
- improve financial controls;
- implement a risk-based sampling approach for testing the effectiveness of Section 33 (FAA) approval and a framework for reporting to management on the results of this testing process.

## **Administration Services**

**Contracting.** Overall, the control and management of the contracting function has been strengthened and improved. There continues to be a need to enhance staff knowledge in the legal service delivery areas about contracting requirements. A recent national initiative has established a requirement for a specialist resource at the PG-3 level for each region. Given the amount of contracting in the region, the need for a full-time PG resource at this level must be assessed.

**Asset Management.** Although the BCRO has implemented new processes for ordering and receiving assets that improve control and reduce the risk of fraud, a complete inventory of all regional assets does not exist. A list of those assets that have been signed out to each employee is maintained, which reduces the overall risk. Also, the User Networks and Support group has implemented a computerized inventory system for all IT equipment. The office is undergoing major renovations that involve the purchase of new furniture. We were told that all large furniture items would be labelled and recorded in an inventory as part of the renovation project.

**Security.** The security function is one of many tasks performed by the Materiel Management, Accommodation and Administration group. Senior management needs to strengthen the security function by increasing staff awareness of their role in effective security. A business continuity plan for the BCRO exists but needs to be updated.

**Accommodation.** A major renovation project is under way at the 840 Howe Street location of the BCRO. This accommodation project is very complex in terms of the coordination and management of the renovations. Every effort is being made to design and construct an environment that will meet user requirements and address security and access issues.

## **Summary of Recommendations**

Action is recommended to:

- ensure the regional training course on contract management is completed and given to all staff in legal service delivery areas;
- assess the requirements for the contracting function and determine the need for a regional resource at the PG3 level;
- ensure that inventory labels are placed on furniture as the furniture is moved into the renovated space, and that a formal inventory is created at that time using the existing inventory system for IT assets;

- ensure that regular security sweeps are conducted of sites where the BMG has responsibility for security;
- ensure the business continuity plan for the region is reviewed and updated.

## **Informatics Services**

**Policies and Processes.** For the most part, standard national processes such as the backup function and Helpdesk are functioning effectively in the BCRO. An appropriate regional user support structure has been set up to resolve issues. However, users should be encouraged to use the national Helpdesk before accessing the regional IT support specialists.

The BCRO IT self-assessment (November 2004) identified areas that required improvement especially with respect to system development and performance monitoring. The audit team reviewed the self-assessment report and concluded that this assessment was well done. However, in order for the recommendations to be successfully implemented, improved understanding of the IT function by business areas is needed. Management support and ongoing self-assessment efforts are also required.

**System Development.** The BCRO IT self-assessment identified a future requirement for systems development. However, the self-assessment indicated that a more disciplined approach for system development would be required in accordance with the TBS framework for IT development.

All regional IT systems that will run on the departmental network should be developed in conjunction with the User Networks and Support (UNS) group in accordance with their established processes. This ensures that the applications are adequately tested, use appropriate software tools, have sufficient supporting documentation, are controlled during migration to the departmental servers, and have adequately built-in security. Otherwise there is a risk that the network or the data could be compromised. Specifically, the fact that a senior specialist (CS2) is developing applications to support the Strategic Planning & Performance Measurement group and does not report to the UNS raises the risk that some applications may not comply with departmental standards or may have already been developed by another region.



## Summary of Recommendations

Action is recommended to:

- report issues concerning the national Helpdesk function to IMB at headquarters;
- address IT issues identified in the self-assessment, undertake periodic self-assessments, and promote better understanding of IT functions in the business areas;
- ensure that any system development carried out in the region meets regional and departmental IT standards.

## Information Management Services

**Information Holdings.** Information management includes an infrastructure of policies, standards, and practices as well as systems and knowledgeable people (in accordance with the Strategic Framework for the Management of Information in the Department of Justice). There are national initiatives addressing IM, including the national implementation of an IM governance framework. However, the management focus in the BC Region has been on records management (management of information holdings) rather than on strategic information management concepts and strategies. The BC Region needs to assess how it is going to comply with the national IM governance structure, as it does not have a management framework in place to effectively manage information.

In order to address the issues with respect to procedures and practices for managing information holdings, the BC Region needs to move away from its current fragmented system of record keeping and implement an information management framework. Headquarters is providing improved functional direction with respect to IM, which includes new policies and standards (e.g. Information Management Policy, government-wide IM certification program, document classification system). The BC Region must comply with these requirements.

**Library.** With respect to library services, HEADQUARTERS functional direction has improved and a strategic perspective in the Department is being undertaken. The BCRO library is very proactive in its provision of services to legal service delivery areas. However, the planned retirement of two key library staff within five years presents a risk to the region. To address this risk, the Director BMG should develop a succession plan for these library staff. In addition, as part of succession planning, the library technician and Senior Librarian should review their roles and responsibilities in light of departmental changes. As documentation of formal processes and procedures is insufficient, these key individuals should ensure that appropriate documentation is developed.

The Director BMG has organizationally shifted the ATIP unit from the Information Holdings group to the Library. In addition, regional ATIP process documentation has been developed and a risk assessment of the regional approach to managing ATIP requests has been completed. This has resulted in a more accountable system for managing ATIP requests. The changes made will assist in ensuring that departmental information collected is complete and accurate; that risks are reduced because multiple steps and staff are involved; and that staff have a better understanding of the importance and legal requirements of ATIP.

**Litigation Support.** The Litigation Support group has limited capacity to support large cases. The challenge for regional management is to gain staff support for the use of RingTail, the software product used in the Department to manage evidence in complex legal cases. Overall, the Litigation Support group is well organized and effective.

A crucial risk for the Litigation Support group is funding for continued operations. The group was initially set up in January 2004 and at that time Headquarters did not provide funding. The Director BMG and the Coordinator are currently developing a business case to address the need for ongoing funding and the issue of cost recovery for the group.

### **Summary of Recommendations**

Action is recommended to:

- implement a framework for managing information that complies with national information management requirements;
- ensure that library processes and procedures are documented, reviewed, and streamlined;
- ensure that a succession plan for library staff is developed;
- continue with the review to improve reconciliation processes for cost recovery;
- complete the business case on the ongoing funding of the Litigation Support group and the issue of cost recovery;
- ensure that the computer specialist in the Litigation Support group continues to work closely with the User Networks and Support group.

*The management response to the recommendations contained in this report was provided by the Regional Director, Corporate Services, British Columbia Regional Office on September 18, 2006.*

## 1. INTRODUCTION

The Department of Justice has six main regional offices (Atlantic, Quebec, Ontario, Prairie, Northern, and British Columbia). Regional staff provide legal advice to federal departments and agencies located outside of Ottawa and are responsible for most of the Government's criminal prosecution and litigation work in the provinces and territories. Legal service delivery areas in regional offices are supported by specialist staff providing corporate services such as administration, human resources, and informatics.

In the British Columbia Regional Office (BCRO), the Business Management Group (BMG) provides corporate services (except for human resources) to the legal service delivery areas. The BMG has a staff of approximately 45 employees. The BCRO consists of approximately 456 employees and has an O&M budget of \$4.6 million.

| <b>Forecast Expenditures<br/>2005–06 (As of January 31, 2006)</b> | <b>British<br/>Columbia</b> |
|---|-----------------------------|
|   |                             |
| Salaries  | \$34,553,962                |
| O&M Fund 15   | \$ 4,523,162                |
| Total   | \$39,077,124                |

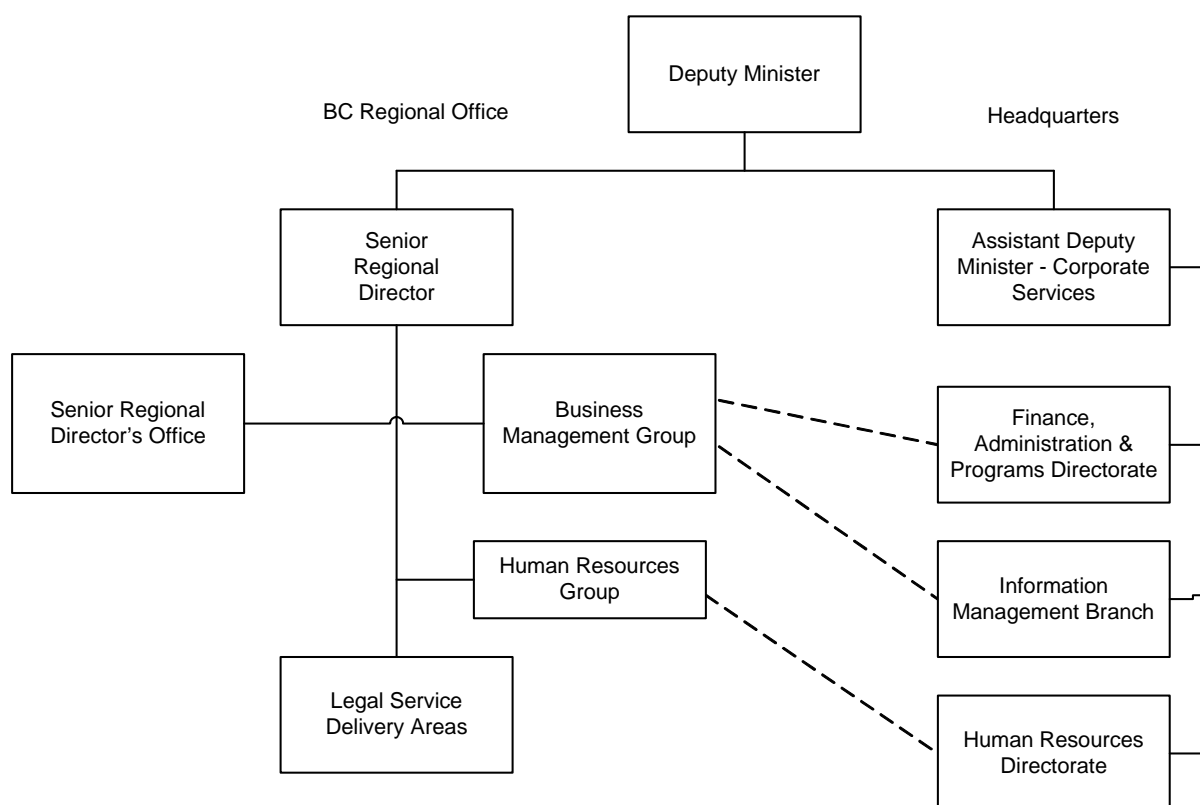
The focus of this audit was the Business Management Group and the corporate services it provides to the BCRO.

### 1.1 Organization

The Department of Justice is organized into a portfolio management structure that includes all major legal service delivery areas (e.g. taxation, citizenship and immigration, and Aboriginal affairs). Senior managers in each portfolio at headquarters are responsible for planning and coordinating the delivery of legal services including the allocation of resources to the six regional offices that deliver legal services.

The BCRO is structured to meet regional requirements and is organized into legal service delivery areas based on the Headquarters portfolio structure. It is headed by a Senior Regional Director (SRD) who reports directly to the Deputy Minister and is supported by the Executive Assistant and the Associate Regional Director. Corporate services such as information technology, finance and administration, and human resources are provided to the SRD and the legal services delivery areas by the Business Management Group (BMG) and Human Resources Group (HRG). Directors of both these groups have a line reporting relationship to the Senior Regional Director and a functional reporting relationship to their respective functional heads in Headquarters.

**Figure 1: Corporate Services Functional Chart**



The Business Management Group in the BCRO is headed by a Director and consists of the following corporate services groups:

- Financial Services
- Materiel Management, Accommodation and Administration

- Library Services (includes ATIP)
- Strategic Planning and Performance Measurement
- User Networks and Support
- Information Holdings
- Litigation Support

Heads of each group report to the Director BMG.

## 1.2 Objectives

The objectives of this audit were to review and assess:

- the adequacy of the management framework in place including processes and practices related to planning, organizing, controlling, leading and communicating, and the management of human, financial, and materiel resources;
- the reliability of information systems for decision-making and accountability purposes;
- the extent of compliance of procedures and practices with applicable legislation, regulations and key central agency/departmental policies, including the *Financial Administration Act* (FAA);
- the level of services provided to BC Regional Office staff;
- the appropriateness of interfaces with other sections of the BC Regional Office and the Department of Justice Headquarters.

## 1.3 Scope

The audit covered all of the operations and activities of the Business Management Group in the BC Regional Office. Specifically, the audit addressed the following three key issues:

- the level of functional direction received from Headquarters for each of the functions performed under the Business Management Group;
- the adequacy of controls and level of active monitoring of financial transactions to minimize risks and ensure compliance with Treasury Board policies;
- sufficient segregation of duties in the initiation, approval, and payment of financial obligations.

The planning and fieldwork for this audit were carried out between August and November, 2005.

## **1.4 Methodology**

The audit followed the methodology outlined in Treasury Board guides on comprehensive audits. It consisted of a review of pertinent documentation, interviews in the BCRO and with selected staff at headquarters, and extensive audit testing to address the key issues outlined under Scope.

We developed a set of audit programs and tests to determine whether there were any serious issues that warranted further examination. The areas of audit testing included the following:

- Finance and Administration
  - contracting procedures
  - financial controls relating to signing under sections 32, 33, and 34 of the FAA
- Information Holdings
  - records management processes
- Information Technology
  - back-up procedures
  - Helpdesk procedures
- Library
  - library processes
  - ATIP processes

## **2. FINDINGS – REGIONAL MANAGEMENT FRAMEWORK**

### **2.1 Governance and Organization**

#### **2.1.1 Organizational Structure**

At the time of the audit a formal Business Management Review was under way in the Business Management Group. The new Director (who arrived in April 2005) had initiated the review in order to define the corporate services being provided, establish priorities, and identify opportunities for improvements in business processes in the BMG. On completion, the Business Management Review is expected to provide opportunities and options for change. Although at the time of the audit the review report was only available in a preliminary draft, some issues had been identified and organizational changes implemented.

For example, the new Director has made plans to change the name of the Business Management Group to Corporate Services to better reflect the actual work undertaken. In addition, the Director reorganized some of the reporting relationships. For example, the ATIP function and its coordinator (CR5) now report to Library Services instead of Information Holdings. Also, the receptionists who reported to the ATIP Coordinator now report to the Executive Assistant of the BMG. In order to offer improved support for the Senior Regional Director with respect to planning and other strategic initiatives, the Director made an organizational change to the User Networks and Support Group (UNS). An IT specialist was moved from that group to Strategic Planning and Performance Measurement (SPPM) to assist in developing specialized computer applications in support of regional performance reporting requirements. We were told that staff involved in these reporting changes would have appreciated more consultation.

Furthermore, in November 2004, a departmental audit of Regional Corporate Services reported an overall lack of information management capability in the BCRO. The Information Holdings (IH) group, which is responsible for information management, has experienced a number of resource issues over the last few years. The former supervisor who headed the group was classified as an AS3. This individual retired over two years ago and was not replaced. The supervisor position was reclassified at the AS2 level. An AS2 competition was held but the position was not filled at the time of the audit. However, the Director BMG told us she is re-

evaluating the classification level for this position with a view to making it an AS3, given the nature of the functions that need to be performed. We were told that two experienced staff and possibly others will be leaving the IH group.

The Financial Services group, which consists of three finance officers (FI1s) and other specialist staff, is managed by the Regional Financial Advisor (FI2). Two of the finance officers are responsible for financial management, reporting, and cost recovery. The third is the supervisor of accounts payable. There are six financial specialists (CR5s) who process financial transactions. The Regional Financial Advisor is responsible for financial planning and management as well as financial operations, which is not in accordance with best practices.

Most organizations in the Department of Justice that deliver financial services separate responsibility for the accounting function from responsibility for the financial management functions of planning, analysis, and reporting. Dividing responsibility for financial functions is a standard management practice and is supported by the comptrollership agenda being pursued by Treasury Board. Consideration should be given to reorganizing the Financial Services group in the BMG to reflect this practice. Also, the Government of Canada now requires annual audits of departments' financial statements. As part of this auditing process, it will be necessary for regional financial services groups to carry out statistical sampling of transactions to provide assurance to regional management that there is adequate financial control and management. This is another reason to re-organize responsibilities for the financial functions in the BMG.

The audit team supports the Business Management Review process and agrees that organizational change is required in the BMG. However, we found that there were communications issues with respect to both implemented and anticipated changes. Staff interviewed indicated that they did not fully understand the reasons for the organizational changes that have been implemented. Staff expressed the concern that the changes reflected a lack of confidence in their work.

### **2.1.2 Roles and Responsibilities**

Management and staff interviewed indicated that roles and responsibilities are documented and clear within the BMG. We found that roles are described and supported by organization charts, and have been or, we were told, will be validated by the Business Management Review.

Individual group heads in the BMG have a line reporting relationship to the Director of the Business Management Group and a functional relationship with Headquarters. We found no issues with these reporting relationships.



A governance framework<sup>1</sup> exists for the provision of IT services. This recently implemented IT governance framework has established roles and responsibilities as well as processes for IT application development and decisions on IT investments, and has formalized staff communications regarding IT topics and issues. We were told by the functional heads in headquarters that governance frameworks for the key areas of finance and information management were being developed. Even though governance frameworks have not yet been implemented for all groups in the BMG, we were told that the organizational changes under way and the effect of these changes on roles and responsibilities are expected to improve service delivery, enhance management control, and ensure adherence to departmental policies. However, staff told us that there were some issues with respect to the effect of the organizational changes on roles and responsibilities. For example, the Supervisor, Information Holdings told us that IH staff were concerned about changes to reporting relationships and responsibilities in that group. Also, staff in the User Networks and Support group indicated that they would have appreciated more information on the reasons for the move of the IT specialist (CS2) from the UNS group to the Strategic Planning and Performance Measurement group. We were told that staff find it unsettling that the IT specialist now reports to the Director BMG and not to the group head of the UNS.

### **2.1.3 Functional Direction and Reporting**

We were told by regional management and staff that functional direction from Headquarters functional areas is improving. The results of our interviews at Corporate Services in Headquarters indicated that the functional groups are developing a new “corporate vision” for corporate services and intend to provide increased functional direction, guidance, and leadership. The capacity of Headquarters to provide this leadership had eroded over time because of cutbacks in staff, while the regions were concurrently experiencing significant growth. As reported in “Roles and Responsibilities”, Headquarters functional areas have developed a governance framework for IT and are developing governance frameworks for finance and information holdings. In addition, Headquarters functional areas are developing tools for monitoring compliance with departmental requirements and policies. Staff interviewed in the BMG were of the view that Headquarters understands the importance of building good

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<sup>1</sup> In 2003, the Information Management Branch (IMB) in Headquarters released an IT governance framework to help regional and HQ staff build the cooperation needed for corporate success in managing crucial technology. The IT governance framework is laid out in several documents issued in November 2003 by BIT.COM (IT management committee reporting to the Executive Council).

relationships with the regions as well as providing leadership and support to regional corporate services.

In the BMG there have been a number of changes with respect to management meetings. The new “Week Ahead” meeting of the BMG management team (consisting of the Director and all group heads) keeps all groups of the BMG informed of regional events and issues that could impact their specific activities. The Director BMG meets weekly with both the Senior Regional Director and the Associate Regional Director. Information from the meetings with these two directors is passed to the BMG management team at the Week Ahead meeting or earlier if urgent.

### Recommendations and Management Response

**1. It is recommended that the Director BMG ensure an appropriate division of financial responsibilities with respect to accounting and financial management and reporting.**

I agree. Since the completion of the audit, significant changes in the organizational structure of the BMG have been approved that directly address this recommendation. The changes implemented in the Finance division include two separate and distinct units, with two separate Financial Officers accountable for each unit. The financial services units are Financial Planning, Advisory & Reporting Unit and the Financial Transactions, Policy and Review & Monitoring Unit.

The Financial Planning, Advisory & Reporting Unit, comprised of a financial manager, three financial officers and a financial support position, are responsible for regional financial budgeting, reporting, analysis, cost recovery, and advisory services. In addition, this unit maintains a close working relationship with their National Headquarters finance and portfolio colleagues.

The Financial Transactions, Policy and Review & Monitoring Unit, comprised of a financial manager, five financial specialists and one financial officer, are responsible for processing the regions financial transactions, providing financial policy advice and clarification, as well as for the regional internal financial review and monitoring activities. This unit also maintains a close working relationship with the National Headquarters financial policy group.

**2. It is recommended that the Director BMG communicate more fully with staff when introducing organizational changes to enhance staff understanding of the underlying reasons for the changes.**

I agree. It is recognized that communication in any organization is challenging and so much more so when implementing organizational changes. The Director, BMG recognizes the issues and challenges around the communication of the organizational change and has made communication a priority. The BMG team leaders as well as representatives from four client portfolios were actively involved in the BMG review process. Their involvement positioned them to communicate and update the various BMG and Portfolio staff on the review as it progressed.

Since the audit report, the BMG review has been finalized and distributed to all BMG staff. The report was discussed at length during the BMG 2<sup>nd</sup> annual one day meeting held in June/06. The meeting provided an opportunity to review what BMG had heard over the past year with respect to their strengths, areas for improvement, and opportunities for consideration; it provided a forum for discussion on the way forward and clarified how the new organizational structure would enable the group to achieve the efficiencies and effectiveness improvements identified in the report. Communication methods were varied: both small and large group discussions; opportunities for staff to ask questions, raise concerns, and provide comments; and group presentations on how they were going to achieve results. In addition, a portion of the day was devoted to a change management seminar which allowed, through the facilitation of a professional change management consultant, the staff to gain an understanding of the different personal reactions to change and an appreciation for the various phases of organizational change.

The Director, BMG has also taken the opportunity to brief the Senior Management Committee, the Regional Administrative Committee, the PSAC union representative, and the DG's of Finance & Administration and of IM/IT on the BMG Review and the organizational changes.

An ongoing communication strategy is currently being developed with the assistance of the BCRO Communications office.

## **2.2 Planning and Budgeting**

Planning is an essential management function that helps to ensure organizational objectives are met. Through planning, issues, activities, and initiatives are identified that contribute to the

achievement of these objectives. It is also a process by which managers identify priorities, which is an important aspect of managerial responsibility, especially in situations where resources are scarce.

For the 2004/05 fiscal year each group in BMG prepared a business plan. The November 2004 Audit of Regional Corporate Services found that the plans varied in format and content; a common process and standard output for business planning were not evident. There was no official monitoring against these plans, and no business plans were developed for 2005/06. Until the Business Management Review and the subsequent organizational changes are complete, it is not known whether business plans will be created for fiscal year 2006/07.

Department of Justice regional offices are allocated an overall budget according to the Consulting and Audit Canada (CAC) “Regional Administrative Services Review” (also known as the “Footprint Report”) published in June 2001. Funds are also allocated to regions from Headquarters legal portfolio heads. Portfolios are funded through a number of sources including client departments, special initiatives, and departmental A-base. The different sources of funding complicate the budgeting process for the regional offices. It was noted that regions are normally well into the new fiscal year before their budget is known, which makes planning difficult. The complexity of the budgeting process causes difficulties with tracking transactions and reporting against the budget and requires complex analyses (using Excel spreadsheets) to manage the process.

Processes and procedures for monitoring the BMG’s budget have changed since the arrival of the new Director. Previously there was one budget for all of BMG that was managed by the Director; now each corporate services group has its own budget. Each group head now receives budget reports, which are reviewed by the Director and group heads as a team. This new team review will allow all groups to become knowledgeable about the activities and workload pressures of the other groups.

We were told that the Director plans to carry out a mid-year review of the budget, which will include, for the first time, a process by which the management team challenges the forecasts for O&M and salary as well as the status and budgets of projects. The management team will make joint decisions on the purchase of goods and services. The group heads told us that they do not have complete confidence in the challenge process. For example, we were told that they do not understand how sharing information about individual budgets will be useful to other managers or what the budget challenge process will entail. They also stated that under the former Director they were given the independence to accomplish their planned activities without group consultation.

The preliminary draft report from the Business Management Review recommended identifying the core business, the key strategic and business priorities, the major clients, and the policy and procedural framework. The ongoing Business Management Review is developing a profile for each corporate services group in the BMG to identify required corporate services and detail how they can be delivered in a cost-effective and efficient manner. This review process needs to be completed in order to be fully effective.

### Recommendations and Management Response

**3. It is recommended that the Director BMG ensure that annual business plans are prepared and monitored.**

I agree. The 2007/08 regional business planning process requires each portfolio to develop operational plans for the purpose of demonstrating how the business and management priorities identified in the regional business plan will be achieved and operationally implemented in the various portfolios. For BMG, this requirement will be met through the development of operational plans by each specific unit – Library, Information Technology, Information Management, Material Management, Security, Administration/Reception/ATIP, Financial Services, Accommodations and the Litigation Support Centre. These individual operational plans will form the basis for the annual performance agreements/objectives for each of the unit managers and will be monitored and reported on throughout the year.

**4. It is recommended that the Director BMG continue with the team approach regarding the management of the budgeting process.**

I agree. The team approach implemented within BMG with respect to the management of the budgeting process will remain in place.

**5. It is recommended that the Director BMG ensure that the specific issues documented in the draft report of the Business Management Review are addressed.**

I agree. Since the completion of the audit, the BMG review has been accepted by the Director of BMG and by the Senior Regional Director. The report identified 18 specific improvement initiatives to increase client value (effectiveness) and to achieve operational excellence (efficiency). Along with the implementation of a new organizational structure which will enable the group to achieve the efficiencies and effectiveness improvements identified in the report, working groups composed of both BMG and Portfolio staff will be tasked with moving the various improvement initiatives forward.

BMG has already achieved success on a number of the issues documented in the review, for example:

- the regional ATIP function has been enhanced through the formal documentation, communication and on-going training of regional ATIP procedures;
- a year-end resource deployment strategy was implemented resulting in more effective use of regional budgets and greater client satisfaction;
- significant changes to the regional internal cost recovery processes have been implemented resulting in notable efficiencies;
- the Financial Services unit was fully staffed through competitive processes and the reorganization has been successfully implemented; and
- joint initiatives with the Prairies Regional Office are well underway.

### **2.3 Training**

In order to deliver corporate services effectively and efficiently, staff members require training to ensure they understand the policies, standards, processes, and procedures for the services that they are delivering as well as the tools (software) that facilitate the delivery. Staff must be able to provide guidance and advice to the legal service delivery areas to ensure compliance with Treasury Board and departmental policies.

The corporate services functional areas at headquarters have developed and delivered courses and information sessions to the BCRO. For example:

- The Director, Information Management Division (IMD), offered an information session on the new departmental document classification process and common administrative systems (e.g RDIMS and iCase) to legal service delivery areas and BMG staff responsible for managing information holdings.
- An on-line RIMS course and a one-day records course are available from IMD. (RIMS is the current departmental standard system for document management.)
- Information Management Branch (IMB) at headquarters provided training to User Networks and Support staff in BMG on the IT architectural toolbox.
- Finance, Administration and Programs Directorate (FAP) produced year-end procedures and a checklist for year-end activity, which served as training guides for all regional offices. FAP also delivered a course on contracting.

We were told that Information Holdings staff will receive further training on the new document classification process and RDIMS. (RDIMS is the new departmental document management system, which will replace RIMS.) A new government-wide IM certification process and related courses will be available through the Canada School of Public Service. A finance course on delegation of financial authorities is being developed; this course may be a requirement before receiving delegated signing authority.

Individual training requirements are identified as part of the annual staff appraisal (PREA) process. BMG staff we interviewed told us that opportunities for training had improved as a result of the increased support of the new Director.

## **2.4 Regional Performance Measurement**

Performance measurement is a process that establishes performance standards, measures an organization's effectiveness in meeting those standards, and produces information that management can use to enhance performance based on that measurement.

As discussed in "Planning and Budgeting" each group in BMG prepared a business plan for the 2004/05 fiscal year. The performance standards established as part of the business plans were focused on statistical and transactional information rather than on performance. These included:

- The Library tracked the number of books borrowed, volume of requests (e.g. searches using QuickLaw<sup>2</sup>, inter-library loans), and length of time required to complete searches or research.
- Information Holdings recorded transaction-based information including the number of files opened and closed, folders created and archived, and packages sent to the mail room.
- The User Networks and Support group compiled information on use of the Helpdesk, software implementations, length of downtime of server/systems, and network access.
- Financial Services made efforts to measure productivity as set out in its business plan (e.g. number of financial transactions per employee and costs per transaction). The group also set some performance standards (e.g. payment of invoices (usually net 15 or 30 days) and travel claims (within 10 days)).

There is a need for well-designed performance measures to provide BCRO management with information on the quality of services delivered by the BMG as well as on areas requiring improvement.

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<sup>2</sup> A database search service.

As a result of the Business Management Review, the BMG has moved into a period of organizational change and has not updated the business plans developed in 2004/05. For the most part, the business plans did not include performance standards. Furthermore, even when performance standards were included, the corporate service groups in the BMG did not report on how they were meeting these standards.

The Business Management Review has identified the need for performance standards and the communication of these to clients. The review stated that there was inconsistent service delivery quality across BMG groups. At the time of the audit, we were told that the Director BMG was planning an initiative to establish performance standards and to communicate them to clients.

#### Recommendations and Management Response

- 6. It is recommended that the Director BMG develop performance standards and monitor these standards as part of the management control framework for the region, as discussed in the draft report of the Business Management Review.**

I agree. BMG is moving forward in developing service standards for their units in consultation with the National Headquarters functional authorities and with their counterparts in other regional offices. BMG will further build on these service standards to develop regional client service level agreements within the coming year. Development of Client Service Level Agreements will be a primary focus for the Information Management, Material Management and Information Technology areas in particular.

The Financial Services unit has moved forward in developing some performance standards which include: monthly analysis and reporting of regional budget to the SRDO, monthly portfolio financial reports produced and meetings held with Portfolios to identify high risk areas and potential solutions for anticipated pressures, compliance standards for various financial areas (travel, section 34, hospitality, policy, contracting, etc.); and bi-monthly compliance reports produced and reported to SRD and Senior Management Team.

The Litigation Support Centre has also developed a fairly comprehensive listing of performance standards which are monitored and reported on a regular basis. For example, performance is monitored for the number of new cases in Ringtail, the number of new Ringtail users, and the hours of training provided. Additionally, there are set standards to ensure teams are using various electronic litigation support tools in a manner that is consistent with what is required by the rules of court and/or evolving jurisprudence.







### **3. FINDINGS – FINANCIAL SERVICES**

#### **3.1 Financial Management Framework**

##### **3.1.1. Policies, Procedures, and Cost Recovery**

The Financial Services group in the BMG adheres to the Treasury Board Secretariat/Department of Justice framework of policies, standards, and procedures for financial management. Departmental direction for financial services comes from Headquarters Finance, Administration and Programs Directorate. The Financial Services Group Head indicated that Headquarters has been providing improved support.

The Financial Services group has developed and implemented financial procedures and best practices, which are made available to the legal service delivery areas. These provide procedural steps for all financial transactions associated with travel, hospitality, taxi, and library invoices.

The Department has moved to a cost recovery process, but at the time of the audit full cost recovery had not been implemented. In the 2004/05 fiscal year there was a financial specialist in the BMG whose main responsibility was cost recovery activities. This specialist designed and developed computer software to facilitate the cost recovery process. The incumbent is no longer with the Department of Justice and was not replaced. Other financial staff have taken over these activities.

As part of cost recovery a number of services are charged back to clients in terms of fees and disbursements. Fees are generated as a result of time recorded in iCase, the departmental system for case management. Disbursements are processed through the financial system (IFMS). Some of the cost recovery processes are carried out in the regional office (e.g. time reporting) and others are carried out at headquarters (e.g. invoices for reimbursement). Reconciling cost recovery invoices against departmental records of time and disbursements requires a significant amount of time.

If funds are not recoverable through the automated process (e.g. if the client number is incorrect or missing), the funds are charged back to the regional O&M budget. In order to recover these

funds a Journal Voucher (JV) process (i.e. a formal documentation process that provides written authorization for financial transactions) must be invoked. Because of the number of transactions at year-end there is limited time for performing the JV process. In 2004/05 Headquarters established an early cut-off date for fiscal year-end processing. Consequently there was insufficient time to process the JVs for all financial transactions and some funds were not recovered. As a result, the BCRO suffered a financial loss in the amount of \$301,000 for fees and \$80,000 for disbursements. The BCRO has brought this issue to the attention of Headquarters Finance in an attempt to seek resolution. As these are national issues, the BCRO is limited in its ability to address them.

### **3.1.2 Financial Reporting**

In the past, the BMG Financial Services group held monthly meetings with the regional legal service delivery areas to review their financial situation. More recently, Headquarters Finance developed a financial status report (FSR) that must be produced each month by all regional financial services units. The Director BMG met with the responsibility centre (RC) managers of the legal service delivery areas regarding financial reporting. The Director BMG indicated to us that she is of the view that these managers have limited training and experience with financial reporting. The managers indicated to us that after meeting with the Director, they better understand the financial status reports (FSRs) produced by BMG Financial Services. However, they expressed a lack of confidence in the Financial Services group. The Director BMG concluded that this is because regional Financial Services staff do not understand the business of the legal service delivery areas nor do they fully understand the FSRs.

We were told that the Director planned to undertake a detailed financial review of the BCRO in November 2005. The review will challenge the forecasts for both salary and O&M, and focus on the procedures surrounding the purchase of goods and services with a view to avoiding past patterns of year-end spending. The Director told us that staff in legal service delivery areas do not appreciate how year-end spending significantly increases workload for Financial Services staff, who are already taxed by year-end activities.

### Recommendations and Management Response

- 7. It is recommended that the SRD BCRO apprise the Director General, Finance, Administration and Programs Directorate in headquarters of the issues pertaining to cost recovery processes and procedures.**

I agree. Since this particular recommendation was conveyed, the SRD BCRO has had several communications with the DG, FAAP on the various issues pertaining to cost recovery processes and procedures. National Headquarters has gained a very good understanding of the regional concerns and we are jointly working towards solutions.

- 8. It is recommended that the Director BMG continue to improve the regional financial management function by further developing processes and procedures, training BMG financial staff, and providing more training on financial management and reporting for legal service delivery area managers and staff.**

I agree. Since the completion of this audit, the finance group has made incredible progress in addressing this recommendation. A review of all invoice payment processes was completed and recommendations developed and endorsed by Senior Management Committee to implement a number of policy and procedural changes resulting in efficient streamlined approaches that ensure the appropriate people are authorizing sections 32 & 34 and that the invoices are being paid in a timely manner. It is important to note that the BMG units worked collaboratively on these initiatives to ensure that technology was incorporated to the greatest extent possible in moving forward on streamlining the processes and in the development of the various financial policies and procedures.

A Finance 101 course was developed which includes nine Modules covering a variety of topics such as: Financial Signing Authorities, Chart of Accounts & Coding, Accounts Payable, Acquisition Cards, Travel, Monitoring your Budget, and Department of Justice's Planning Process. This course will be delivered to the regional legal managers, and staff during the current 2006/07 fiscal year.

### **3.2 Financial Controls**

The audit team conducted tests that involved selecting a sample of financial transactions and verifying the compliance of these transactions with financial control requirements (i.e. sections 32, 33, and 34 of the *Financial Administration Act* (FAA)). The sample of financial transactions was selected from the total number of financial transactions for acquisition of goods and services

(i.e. the financial population) for the BC Region from April to the end of September 2005. The total dollar value of the financial population was \$555, 532. The sample was obtained by electronically extracting expenditure transactions from the IFMS financial system; the total dollar value of the sample was \$134, 975.

While it was observed that six out of the 40 expenditure transactions tested complied completely with the criteria tested under the requirements of the FAA, the testing results also revealed the following:

| Observation  | Number of occurrences |
|--|-----------------------|
| Illegible signature and no printed version in signature block                  | 18                    |
| Section 34, FAA initialled only, not signed                                    | 16                    |
| Supporting documents not attached  | 3                     |
| Person not authorized to sign under Section 34, FAA                            | 2                     |
| Documents not stamped and/or initialled for goods and services received        | 1                     |
| Contract, purchase order, and commitment (Section 32) completed after the fact | 4                     |
| Expenditure transaction pertained to previous fiscal year                      | 4                     |

Overall, our testing of expenditure transactions indicates a substantial financial control risk because of the level of errors and irregularities we found. The BMG will need to make improvements in order to comply with the requirements of the FAA and to ensure the integrity of the financial process.

Under Modern Comptrollership, the financial responsibilities related to Section 34 of the FAA for the receipt of goods and/or services should be carried out by the responsibility centre (RC) manager in the legal service delivery area. Staff in regional Financial Services should be monitoring the effectiveness of the expenditure verification activities of these managers before approving expenditures under Section 33 of the FAA. In some cases we found that Financial Services staff are signing off under Section 34 in lieu of RC managers in the legal service delivery areas. As a result, in some cases there is ineffective segregation of duties in the initiation, approval, and payment of financial obligations.

As reported under “Organizational Structure”, the Modern Comptrollership initiative being pursued by Treasury Board has also provided for increased monitoring of financial activity. To meet such requirements, it will be necessary for regional Financial Services staff to carry out statistical sampling of financial transactions to assess the extent to which there is adequate financial control and management.

The regional financial management process should include measures to sample and test financial transactions using a risk-based approach. The results of these monitoring activities should be reported to regional management on a regular basis. The transactions tested should be assessed to determine the extent of compliance with policies and procedures, and their accuracy, completeness, and timeliness. A management report should include the volumes of transactions processed, the number by type of transactions tested, and the levels of compliance and errors found. Where significant deficiencies are encountered or improvements are needed, the BMG Financial Services group will need to implement corrective measures, including suspension of delegated authority and the provision of training.

### Recommendations and Management Response

- 9. It is recommended that the Director BMG improve financial control to address the issues noted in this report. For example, improved controls should include the assurance that Section 34 (FAA) approval is undertaken by the RC managers in the legal service delivery areas; that a printed version of signatures is included in the signature block; and that individuals have appropriate signing authority.**

I agree. Since the completion of this audit, regional financial controls have been implemented which fully address the concerns noted in the audit report. BCRO staff with signing authority for budgets and/or for staff of the office who use and expend government resources were reminded of their accountabilities under the FAA through both written and verbal communication by the SRD and by the BMG/Financial Services unit.

As part of the larger BMG re-organization, the Financial Services group re-organization involved the creation of a review and monitoring function. The purpose of the review and monitoring function is to help ensure that the region is fully compliant with its accountabilities around the FAA, TB directives and policies, and national and regional financial policies and procedures. As part of this new function, finance has developed a bi-monthly compliance report which is presented to the Senior Management Team. The report, which is an exception based report, highlights non-compliance items regarding policies and procedures, their accuracy, completeness and timeliness, their impacts, trends (comparing previous reports, volumes of transactions and percentages of non-compliance) and communication on how to correct for future.

BMG has also undertaken a review of the Financial Signing Authorities in the region to ensure that they have been correctly completed in accordance with the delegation of signing authorities.

**10. It is recommended that the Director BMG implement a risk-based sampling approach for testing the effectiveness of Section 33 (FAA) approval and a framework for reporting to management on the results of this testing process.**

I agree. The Financial Services, Review & Monitoring has developed procedures to implement a risk based sampling approach for testing the effectiveness of Section 33 approval. This includes completing a full pre-payment audit on all payments over \$25 thousand as well as selecting every 50th payment for full pre-payment audit regardless of dollar value. This selection will ensure we are sampling approximately 2 percent of the population of 2000 monthly invoices.

Currently, the BCRO Bi-Monthly compliance report has indicated a non-compliance rate of 1.4% to 1.6% - this sampling will exceed these rates at 2%. For the selected transactions, the following will be reviewed to ensure quality of checks and procedures under the S. 33 process:

- verification of information within system and documents,
- compliance with policies, directives and regulations,
- verification of entitlement,
- approval under S. 34.

All errors (critical and non-critical) will be presented and reported to the Senior Management Committee for information and follow-up as required.

There also currently exists a prepayment audit process in which the Accounts Payable clerks conduct prior to processing any payments. Any errors identified during this prepayment audit are corrected and identified on the Bi-Monthly compliance report which is presented to the Senior Management Committee.



## **4. FINDINGS – ADMINISTRATION SERVICES**

### **4.1 Contracting**

The November 2004 Audit of Regional Corporate Services included a review of the contracting process in the BCRO. The audit report identified a number of deficiencies in the contracting process with respect to such matters as terms of references and work descriptions, deliverables and milestones, security requirements and sole-source justifications, use of amendments and date of issuance of contracts.

We were told that, since then, Headquarters has strengthened functional direction with respect to contracting in the BCRO. For example, during this fiscal year Headquarters prepared and delivered a training session on contract management. In addition, the Department has recognized that there is limited contracting expertise in the regions. As a result, a recent national initiative has established a requirement for a specialist resource at the PG3 level for each region. However, no additional funding has been provided for this requirement. It should be noted that regional management in the BC Region is concerned that the classification level is too high, given the amount of contracting done locally. In light of these considerations, the need for a full-time resource at the PG3 level must be assessed.

The national initiative also requires each regional office to set up a Contract Review Committee to review and approve all contracts over \$10,000. The BCRO has established this committee, which is chaired by the Associate SRD and meets regularly. The directors from Aboriginal Law and Business and Regulatory Advisory Services are members. Minutes are prepared and distributed. Through these meetings, the Contract Review Committee is helping to improve knowledge of contracting requirements across the regional office.

The auditors requested the BCRO's list of current contracts. From the 44 contracts on the list (total value of \$327,773), we reviewed a sample of 10 contracts with a total dollar value of \$163,767. This sample represents 23 percent of all contracts and 49 percent of the total dollar value. The contracts selected ranged in value from \$1,050 to \$88,000. The results of the audit test showed a significant improvement in terms of work descriptions, deliverables definition, security requirements definition, intellectual property requirements definition, and justification

for sole sourcing. We noted that one contract of over \$10,000 had not been approved by the Contract Review Committee.

We were told that some counsel continue to enter into agreements for services (e.g. expert witnesses) without having the required authority or following the contracting process, and as a result, some contracts are initiated after the work has begun. Although we were told that there has been improvement in this area, we are of the view that there continues to be a need for increased staff knowledge. The head of the regional Materiel Management group is developing a course on contract requirements and management for staff in legal service delivery areas. In our view this course will assist in increasing staff knowledge of contracting requirements.

#### Recommendations and Management Response

**11. It is recommended that the Director BMG ensure that the regional training course on contract management is completed and given to all staff in legal service delivery areas.**

I agree. A regional training course on contracting management has been developed and presented to legal services staff in two different portfolios during March and April 2006. As a result of client feedback and questions received during and after these sessions, slight revisions and additions were incorporated into the training material. It is anticipated that all staff in the various legal service delivery areas within BCRO will be provided with the opportunity to attend the contracting training course over the next year.

**12. It is recommended that the Director BMG assess the requirements for the contracting function and determine the need for a regional resource at the PG3 level.**

I agree. The Director, BMG, continues to work collaboratively with National Headquarters Contracting unit and with the Human Resource Classification group to determine the appropriate classification level for the regional contracting function. Some of the issues currently under consideration are that the regional workload in the contracting area does not support a full time equivalent position, that the work involved in the region is quite different from the national role and that there is no additional funding source available to staff a regional PG position.

Further, I understand that there is currently an audit being conducted on the contracting function at National Headquarters. Although the regions are not included in the scope of this audit, the National Headquarters audit may potentially lead to resolution of some of the

issues surrounding the regional contracting functions and positions. As such, BCRO will continue to work with National Headquarters in addressing this issue.

## **4.2 Asset Management**

In the BMG the asset management function is the responsibility of the Materiel Management, Accommodation and Administration Group. However, the regional User Networks and Support group has responsibility for IT equipment.

Under the TBS/Department of Justice financial management framework, all groups are required to maintain a complete inventory of assets. This information is used for a lifecycle management of the assets and for calculating depreciation. The User Networks and Support group has implemented a computerized inventory system for all IT equipment. In addition, a new computerized system to control the ordering and receiving of all regional assets is currently being piloted. The purpose of the system is to ensure accountability, reduce the risk of fraud, and ensure that what is ordered is received and paid for. When the items are received, they are ticketed and included in the existing inventory system. Information recorded includes key data such as model, serial number, and date of purchase.

The regional Materiel Management group maintains a list of assets that have been signed out to each employee. These assets include cell phones, BlackBerry devices, laptop computers, audio-visual equipment, keys for cabinets and offices, acquisition cards, credit cards, and ID and access cards. This list assists in ensuring that assets are returned when the employee leaves the Department.

We were told that the Department is considering obtaining a computerized facilities management system that would include an inventory function. To date a decision on a specific product has not been made. Therefore, the BCRO has acquired inventory labels for assets such as furniture, but in the absence of a facilities management system these labels have not yet been used. The office is undergoing major renovations that will require the purchase of new furniture. We were told that all large furniture items would be labelled and recorded in the inventory as part of the renovation project.

Until a determination is made on a facilities management system, the BMG should use the computerized inventory system for IT equipment that has been implemented by the UNS group to create an inventory of all regional assets.

## Recommendations and Management Response

### **13. It is recommended that the Director BMG ensure that inventory labels are placed on furniture as the furniture is moved into the renovated space, and that a formal inventory is created at that time using the existing inventory system for IT assets.**

I agree. Since the completion of this audit, appropriate asset management practices have been fully implemented within the region that addresses the concerns raised in the audit report. Inventory labels are placed on all new furniture and equipment when received and all relevant asset information is entered into an MS Access database.

In consultation with the information technology staff and materiel management staff it was determined that the current inventory system for IT assets (Dashboard) has a number of limitations, and would not, without significant modifications, be the best platform for tracking furniture and other non-IT related assets. As such, in moving forward on this initiative BMG is reviewing the use of the BassetPro asset management software, currently in use in the NCR, for tracking both IT and non-IT related assets. The use of the BassetPro software will ensure that all relevant data, regardless of asset type, will be collected, and once the software is officially rolled out to the regional offices the data collected will be compatible.

## **4.3 Security**

We were told by regional security staff that functional guidance from HEADQUARTERS has been enhanced. We were also told that the Security Operations, Telecommunications and Accommodations Directorate at headquarters has identified a departmental requirement for a security position in each regional office including the BCRO. We were told that funding has not been made available by Headquarters for this new position.

The BC Regional Office operates out of several locations. The Materiel Management, Accommodation and Administration group in the BMG is responsible for security at two sites on Howe Street in Vancouver. In the other locations where the staff are co-located with other government departments (e.g. INAC (Indian and Northern Affairs Canada) and RCMP), those departments control security. The level of security varies from card access at the main Howe Street facility to metal detectors and police officers when Department of Justice staff enter a courthouse. The level of security sweeps and the consequences for infractions vary from site to site. Those Justice offices co-located with INAC are subject to regular sweeps: when items such

as files are found on desks, the items are confiscated, a note left for the employee, and the incident reported to the employee's manager. At the Howe Street locations sweeps are done intermittently. Staff are made aware of infractions, but many files are still left on floors, desks, and chairs. Security sweeps are a key element in improving staff awareness of security.

The BCRO consists of almost 500 staff and has multiple office sites. As a result, it is not always possible for staff to know who is authorized to enter the office. One of the most common ways unauthorized people gain access is by immediately following an authorized person into a designated area. A key element in preventing this type of security infraction is to increase staff awareness of security. The UNS and Materiel Management groups provide information to staff during "Security Week" through presentations, pamphlets, posters, and CDs. This information helps to raise staff awareness about their role and responsibilities in maintaining a secure environment.

Other important security elements include the completion of threat and risk assessments (TRAs) and a business continuity plan. TRAs allow management to demonstrate that risks have been properly considered and decisions made to reduce them, if required. In the BCRO a TRA was carried out during the planning for the major office renovations currently under way at the 840 Howe Street location. We note that a business continuity plan which outlines how operations are to resume after a major event (e.g. hurricane, earthquake) has been developed. The plan was created to provide guidance in the event of disruptive events and to permit an acceptable level of service in a safe environment until normal business operations can be resumed. The plan covers BCRO organizations, operations and locations. The plan identifies key members of the staff and their contact numbers and includes specific guidelines related to the BCP Process (notification, assessment, activation, management, recovery, resumption and restoration). However, there is no date on the document and some of the contact information provided is out of date. The BCP needs to be reviewed and updated.

#### Recommendations and Management Response

**14. It is recommended that the Director BMG ensure that regular security sweeps are conducted of sites where the BMG has responsibility for security.**

I agree. Regular security sweeps will be implemented beginning October, 2006 for 840 Howe Street, 900 Howe Street and 211 Columbia Street. These security sweeps will be performed at a minimum of twice a year.

BMG is currently working with SOTAD, National Headquarters to develop regional procedures for security sweeps. The security sweeps form part of a larger ongoing effort to bring greater security awareness to all regional Department of Justice staff.

**15. It is recommended that the Director BMG ensure that the business continuity plan for the region is reviewed and updated.**

The BCRO Business Continuity Plan is currently under review and is being updated accordingly. As each individual portfolio, who is responsible for updating/reviewing their areas of responsibility, communicates these changes to the BMG Business Continuity Plan Co-ordinator, the plan is continually updated to ensure the most current information exists. All future updates to the plan will be completed as a result of a more formal process (formal regional initiated call letter, etc) occurring on a regular nine month basis.

#### **4.4 Accommodation**

At the 840 Howe Street location of the BCRO, a major renovation project is under way. The process involves removing staff from a floor, completing renovations, and then moving staff back. In some cases, staff have been temporarily relocated into a renovated site.

The Associate SRD is responsible for managing the move and the accommodation project. The supervisor of the Material Management, Accommodation, and Administration group is responsible for managing the day-to-day activities. The Associate SRD coordinates with the other groups involved such as Public Works and Government Services Canada (PWGSC) and the User Networks and Support group. The renovations were initially scheduled for completion in the fall of 2005 and were behind schedule at the time of the audit. We were told it is extremely difficult to engage trades with the booming Vancouver construction industry. We were also told that PWGSC continues to be involved in the renovation effort in a supportive manner.

Interviews with BMG managers and supervisors indicated that they were consulted on the design of the renovated space. They were also involved in the purchasing decisions for such things as furniture and special equipment. For example, the filing system for paper records was chosen after managers assessed several systems with respect to security and physical safety considerations.

The audit team viewed the facilities that will house IT, litigation support, information holdings, reception, and mailroom. We found that the design for the renovated facilities addresses security

and access issues that exist in the current accommodations for these functions. We also found that consideration was given to accommodating work flow and to permitting future changes to offices with minimal structural impact (such as taking out walls).





## **5. FINDINGS – INFORMATICS SERVICES**

### **5.1 Policies and Processes**

In the BC Region informatics services are provided by the User Networks and Support group (UNS). The UNS group follows the TBS/Department of Justice framework of policies, standards and protocols for information technology (available on a timely basis on the departmental intranet site) known as the IT governance framework. Information Management Branch (IMB) at headquarters has been providing increased functional direction and guidance to the Department (including regional offices) through the continued development and implementation of this governance framework. IMB has a leadership role in terms of national agenda and priorities, and is building new relationships with regional IT staff. Heads of regional IT groups participate in key committees and national IT conference calls, and attend national conferences. For example, the BCRO UNS manager is on the national IM/IT Policy and Architecture Committee, attends the National Informatics Conference (NIC) annually, and participates in national conference calls on IT topics. In addition, regional IT groups provide input into national policies and standards and are asked to participate in national systems development projects (e.g. projects to upgrade or introduce new software).

As part of this audit, we selected the key IT processes of backup and the Helpdesk to evaluate in terms of integrity, ease of use, and overall satisfaction within the region. In addition, we reviewed the self-assessment carried out by the UNS group.

#### **5.1.1 Backup**

The BCRO uses the standard backup process developed by IMB at headquarters, which includes daily, weekly, and monthly rotations of regional backups. This process has been implemented across the Department as part of a new IMB national strategy that uses CommVault software for backup operations. A number of years before it became the national standard, the BCRO had purchased and implemented this product. Although the BCRO was required to make minor changes to its local process in order to adhere to the new IMB strategy, the new procedures continue to meet local needs.

For weekly, monthly, and long-term storage, backups are sent to the National Archives. Daily backups are stored off-site in other regional locations. Backup procedures are documented and contained in the IT Desk Book (i.e. guidelines for the UNS that include policies, standards, and procedures). One of the senior specialists (CS2) is responsible for the backup function, which includes supervising more junior staff members who carry out the backup process.

### **5.1.2 Helpdesk**

Approximately seven years ago IMB at headquarters set up a national Helpdesk as part of an IT support contract. BCRO users call the national Helpdesk regarding issues with their IT equipment or software. The calls are logged and their resolution tracked in a national system. The system provides statistics on the number and types of problems: total calls made, total number routed to regional support, time taken to respond nationally, time taken to respond regionally, and degree of resolution found (user satisfaction). The Manager, User Networks and Support Group receives monthly IT Services Outsourcing Project reports on the Helpdesk statistics and reviews them for accuracy.

Helpdesk calls that are not resolved by the national Helpdesk are routed to a regional work bin to be addressed by regional IT specialists. The UNS group has set up a tiered approach to this work. The regional specialists are responsible for the first level support involving local problems with equipment and computer applications. The second level of support is provided by a senior specialist at the CS2 level who has experience in end-user support and accountability for issue resolution in the region. The third tier support involves the most experienced specialist (CS2) and is focused on network issues. The UNS provides level-one support for national applications such as SAP and PeopleSoft, but higher level support is provided by the appropriate Headquarters functional area.

There have been some residual issues with the national Helpdesk since the transition to a new outsourced IT contract vendor. For example: the Helpdesk software is slow; some of the scripts (i.e. procedures/scenarios used by staff when resolving issues) could be improved; and concerns were expressed in the region about the contract personnel manning the telephones in terms of their experience and training to respond effectively to issues. As a result, we were told that staff in the regional offices occasionally seek assistance from local IT support staff before accessing the national Helpdesk. In these cases, regional IT support staff advise them to use the national service. It is the responsibility of the Manager of the User Networks and Support group in the BCRO to report any issues with respect to the Helpdesk to IMB at Headquarters.

### 5.1.3 BCRO IT Self-Assessment

In November 2004 the User Networks and Support group carried out a self-assessment using the Information Systems Audit and Control Association's tool entitled Control Objectives for Information and Related Technology (COBIT). It is an internationally recognized product for IT governance based on business information criteria and documented control objectives organized according to IT domains, processes, and activities. The auditors use this tool for conducting IT audits. The objective of the self-assessment was to identify gaps, issues, and appropriate management practices with respect to IT.

The self-assessment report identified a number of requirements, especially with respect to system development and performance monitoring. These included:

- more consultation with business areas to improve the User Networks and Support group's understanding of the requirements, business processes, and priorities of these areas, and to permit the UNS to factor this understanding into making IT decisions;
- a more disciplined approach (e.g. system development life cycle (SDLC)<sup>3</sup> methodology, effective project management, adequate planning, change control, peer review of products) as the UNS undertakes increased system development in the region;
- better monitoring of the regional IT function to ensure effective IT support (i.e. resource allocations, performance measurement, and business support).

As a result of the self-assessment, the senior specialist (CS2) positions have assumed the role of supervising and mentoring junior staff. In addition, the UNS has developed a Desk Book and Core Competencies manual that contains IT policies, standards, and procedures. It is a useful guide for UNS employees on how all IT tasks are to be accomplished.

The audit team reviewed the self-assessment report and concluded that this assessment was well done. However, in order for the recommendations to be successfully implemented, improved understanding of the IT function by business areas is needed. (See "Roles and Responsibilities".) Management support and periodic self-assessment efforts are also required.

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<sup>3</sup> The system development life cycle (SDLC) is a conceptual model used in project management that describes the stages involved in an information system development project, from an initial feasibility study through maintenance of the completed application.

## Recommendations and Management Response

### **16. It is recommended that the Manager, User Networks and Support, report issues concerning the national Helpdesk function to IMB at headquarters.**

I agree. Since this particular recommendation was conveyed, the IT Manager has had several communications with IMB National Headquarters on the various issues pertaining to the national Helpdesk function. National Headquarters has gained a very good understanding of the regional concerns and, together, along with the CGI contractor, we are working towards addressing the various concerns.

### **17. It is recommended that the Manager, User Networks and Support, address IT issues identified in the self-assessment, undertake periodic self-assessments, and promote better understanding of IT functions in the business areas.**

I agree. As a result of the BMG review, it became apparent that a further detailed study of the Information Technology group was required in order to gain a better understanding of the IT areas of concern/weaknesses that were raised in the review and to develop a strategy to address these findings. As a result, and in consultation with the SRD, BCRO and the DG, IM/IT, the Prairie Regional Office IM/IT Director agreed to conduct a study of the BCRO IT group. The study focused on the following two questions:

1. Are current BCRO IT resources performing to their potential, particularly in terms of “value-added” business support?
2. What can be done to improve IT performance and better meet client expectations?

The draft report was just recently presented to the BCRO IT Steering Committee which resulted in the steering committee accepting the report with only a few minor revisions. (BCRO IT Steering Committee members include the SRD, Associate SRD, Director, BMG, Director, Tax, Director, Business Planning and Performance Management; and two senior counsels.)

The Information Technology Strategic Renewal report answered the two questions noted above through the identification of issues/concerns in several different areas – IT Management, IT Services, IT Staff, Client Relations, and Performance Management. The renewal strategy includes a detailed action plan (outlining key milestones and activities) and a timeline/work schedule which is expected to result in significant improvements in IT by December, 2007.

## 5.2 System Development

The Department of Justice has adopted the TBS framework (i.e. Enhanced Management Framework for Information Technology) for the development of IT applications. The premise of this framework is to ensure projects comply with departmental IT standards and follow generally accepted system development methodology and processes. This compliance increases the probability that a project will be successful—on time, within budget, and meet user requirements. Without this type of governance an organization may not effectively or efficiently use its IT resources, which can lead to systems duplication, applications that cause network problems (e.g. crash or slowdown), or costly requirements to support multiple IT environments (e.g. multiple databases or e-mail software). In accordance with the Department’s IT governance framework, system development work must proceed through a departmental approval process to ensure the development meets departmental priorities and strategic direction for IT.

Historically, the User Networks and Support group in the BCRO has done minimal systems development work. However, it is anticipated that the group will be doing more in the future. The SRD has requested that the BC Region develop system applications to assist in the management and administration of the region and in reporting to Headquarters. She indicated that this latter requirement is necessary because of reporting demands from Headquarters portfolios. For example, Headquarters requests regional reports on training that cannot be generated manually within a reasonable amount of time and with reasonable effort. The SRD indicated that IMB is not developing the system applications needed to produce these reports nor has the User Networks and Support group developed them. The Director BMG moved an IT specialist (CS2) to the Strategic Planning and Performance Measurement group to assist in developing these reporting applications. This individual now reports to the Director BMG and not to the Manager of the UNS group.

Furthermore, in the past the BCRO entered into a contract for services for the development of some applications without the guidance or involvement of the User Networks and Support group. We were told that there were no requirements in the contract to follow departmental IT standards and procedures. As a result, the UNS group was required to re-write two of the applications—training and cost recovery. We were told that it was not clear if a systems development methodology was used and that the BCRO received very little supporting documentation for the applications.

It is the audit team’s view that all regional IT systems that will run on the departmental network should be developed in conjunction with the User Networks and Support group in accordance with their established processes. This ensures that the applications are adequately tested, use

appropriate software tools, have sufficient supporting documentation, are controlled during migration to the departmental servers, and have adequately built-in security requirements. Otherwise there is a risk that the network or the data could be compromised. Specifically, the fact that a senior IT specialist is developing applications to support the Strategic Planning & Performance Measurement group and does not report to the Manager, UNS raises the risk that the applications may not comply with departmental standards or may have already been developed by another region.

The BCRO IT self-assessment identified a future requirement for systems development. However, the self-assessment indicated that a more disciplined approach for system development would be required in accordance with the TBS framework for IT development. The self-assessment report further indicated that senior staff needed more project management and business analysis knowledge. As a result, the Manager of the User Networks and Support group took courses to obtain a certification in project management and the senior specialist (CS2) achieved certification in business analysis. A project management and business analysis course is being developed in-house for the rest of the UNS group. Also, the self-assessment identified the need for more consultation with business areas to improve understanding of their needs and priorities and to factor those into IT system development decision-making.

#### Recommendations and Management Response

**18. It is recommended that the Director BMG ensure that any system development carried out in the region meets regional and departmental IT standards by ensuring all applications, including those developed by the Strategic Planning and Performance Measurement group, are under the guidance and involvement of the regional User Networks and Support group.**

I agree. As part of the IT Strategic Renewal Strategy noted above, the IT function will be re-organized along service lines – infrastructure, client services, litigation support, and applications. These four service lines, headed up by CS 02's, supported by CS-01's and managed by CS-03's, will be responsible for the provision of the specific services to the BCRO. As such, all system development carried out in the region will be directly under the guidance and involvement of the BCRO Regional IT group.

It is important to note that although past practices within BCRO had at times involved CS resources working on specific application development projects with Department of Justice staff outside of the IT area, the CS's were at all times under the functional direction of the Manager, IT. In fact, all CS's within the region, regardless of their physical location or line

reporting relationship, participated in the weekly IT team meetings and liaised on a regular basis with the Manager, IT to ensure their work was in compliance with departmental and TB standards, policies and procedures.





## **6. FINDINGS – INFORMATION MANAGEMENT SERVICES**

### **6.1 Information Holdings**

Information management includes an infrastructure of policies, standards, and practices as well as systems and knowledgeable people (in accordance with the Strategic Framework for the Management of Information in the Department of Justice). There are national initiatives addressing IM, including the national implementation of an IM governance framework. However, the management focus in the BC region has been on records management (management of information holdings) rather than on strategic information management concepts and strategies.

#### **6.1.1 Policies, Standards, and Functional Direction**

Over the last five years there has been a significant increase in regional staff and consequently in information holdings. Historically, lawyers have kept active files in their offices. In addition, each legal service delivery area's assistant (often the local iCase coordinator) also stores files in cabinets and is responsible for setting up new files. For the most part the regional Information Holdings group only stores closed files before they are sent to archives. It is important therefore that staff, such as lawyers and legal assistants, be knowledgeable about the requirements for managing information holdings (e.g. archiving) and that appropriate information be provided to them by the IH group. In order to do this, the IH group would need to formalize its procedures and offer training.

The Information Holdings group receives departmental policies and standards from Information Management Services Division (IMSD) at headquarters. We were told that IMSD is providing increased leadership and functional direction to the regions. For example, a new Information Management (IM) policy was released in 2004 and a new government-wide IM certification program will be provided through the Canada School of Public Service. A new records classification and numbering system is being developed by IMSD. The Director IMSD held sessions in the BCRO on the new document classification system and common administrative systems (RDIMS and iCase), and staff from the regional legal service delivery areas attended.

Regional IH staff are beginning to provide input into policies and standards such as the new document classification system. In addition, the Department of Justice will be moving to RDIMS as the national document management system, and IMSD plans to include regional representatives as participants in the development and implementation of this national system.

### **6.1.2 Processes and Procedures**

We were told by legal service delivery area staff who have records management responsibilities that the current procedures for management of IH are confusing and do not provide useful explanations. At the time of the audit the regional IH group had begun to clarify, rework, and consolidate the documentation of its work processes into one comprehensive set of procedures for the management of IH. However, we noted that in the past year the number of closed files forwarded to the IH group had increased significantly. There are two reasons for the increase. First, in anticipation of the move to new accommodations, legal service delivery areas have taken the opportunity to forward their closed files to the IH group. Secondly, federal prosecution agents have also recently forwarded between 1,600 and 2,000 boxes to the IH group. The audit team is concerned that because of this increased workload staff in the IH group will not have sufficient time to develop a comprehensive set of procedures.

At the 840 Howe Street site we found that there is insufficient space in the file room for storing closed files. Many active records are kept in individual offices in the legal service delivery areas. Some of these offices are similarly crowded with files. The auditors observed files in various locations that were not properly secured (e.g. unlocked cabinets, boxes in halls, office floors). The records room has doors and locks but there is easy access as many staff walk through the area. It is anticipated that this issue will be resolved with the improved records storage in the renovated accommodations.

The audit team visited three sites and found that only one site had appropriate file storage; the others varied in their storage practices. The November 2004 Audit of Regional Corporate Services found security and occupational health and safety issues with respect to file storage in the BCRO. Since then, there have been minor improvements. For example, files have since been cleared out of the trial preparation rooms. However, some security and occupational health and safety issues remain, as the file storage conditions are largely unchanged.

Practices for handling records vary across the BC Region. The audit team reviewed how various legal service delivery areas manage their records. We found that staff who create and manage records use different approaches. Some use paper logs and others use only RIMS and iCase, yet

not all information is entered in RIMS (e.g. when the lead lawyer on a file changes, this information is not always updated).

In order to address the above issues with respect to procedures and practices for managing information holdings, the BC Region needs to move away from its current fragmented system of record keeping and implement an information management framework. We note that Headquarters is providing improved functional direction with respect to IM, which includes new policies and standards (e.g. Information Management Policy, government-wide IM certification program, document classification system). The BC Region will need to comply with these requirements.

#### Recommendations and Management Response

**19. It is recommended that the Director BMG address the issues noted above by implementing a framework for managing information that complies with national information management requirements.**

I agree. Since the audit report, BMG has permanently staffed the Manager, Information Management (IM) with an experienced AS-03 and the IM group has moved to its new location; thus, many of the concerns raised in the audit report with respect to formalizing policies and procedures and to information security have been addressed.

The file storage concerns noted with respect to the individual portfolio areas will continue to be addressed as BCRO moves forward on the accommodation project (completion date is not set at this time). However, for the most part, file storage concerns raised around security and occupational health and safety issues have been addressed by BMG and by the regional Occupational Health and Safety (OSH) committee.

IM is working to formalize policies and procedures by November 2006 and to develop Service Level Agreements and offer training to regional legal service portfolios to ensure a clear understanding of the IM procedures and the reasons for their existence by December 2006. Information Management regional compliance reviews are scheduled for the spring of 2007. In the longer term, the development of an information management framework will be developed in consultation with IM, National Headquarters and the implementation of the new classification system and RDIMS is scheduled for the fall of 2007.

## **6.2 Library**

The November 2004 Audit of Regional Corporate Services found there was inadequate direction from Library Services Division at Headquarters partly because there was no incumbent in the position of Director (known as the Chief Librarian). As a result, regional librarians independently determined what services their library would offer to regional staff (e.g. searches). The BCRO library has been very proactive in developing, implementing, and marketing library services.

### **6.2.1 Policies, Processes, and Functional Direction**

The BCRO library was initiated in 1983. Originally, there was a librarian and a library technician. At the time of the audit, staff consisted of the Senior Librarian and four library technicians. As of November 2005 a clerical position will be added, which will also be responsible for ATIP.

In the last year the position of Director, Library Services Division was staffed at headquarters. As a result, functional direction to regional libraries has improved, and efforts have been made to standardize software use across the country and to negotiate nationally for services such as QuickLaw.

The librarians in the Department meet twice a year and have bi-monthly conference calls. A recent meeting included a strategic visioning session at which the librarians considered the future role of the Department's libraries. The strategic vision includes significant technological change that could result in changes to the roles and responsibilities of regional library groups.

The BCRO library adheres to the policies and standards of Library and Archives Canada. The Library Services Division at Headquarters is developing various departmental library policies and standards (e.g. a draft policy on departmental library collections).

The Director BMG has organizationally shifted the ATIP unit from the Information Holdings group to the Library. In addition, regional ATIP process documentation has been developed and a risk assessment of the regional approach to managing ATIP requests has been completed. When ATIP requests are received, they are logged into the new bring forward (BF) system that is managed by the BMG's Executive Assistant. A request is then forwarded to the Director of the appropriate unit for response. A sign-off process has been implemented with final approval by

the SRD. This is a marked improvement over the previous process, in which we were told there was only one person involved and there were no sign-offs.

In our view the Director BMG understands the importance of the ATIP function and has implemented an accountable system to manage ATIP requests. The changes made will assist in ensuring that the departmental information collected is complete and accurate; that risks are reduced because multiple steps and staff are involved; and that staff have a better understanding of the importance and legal requirements of ATIP.

### **6.2.2 Library Operations**

The regional library technician has developed and/or implemented databases for library operations. The locally developed databases are used to facilitate the administration of the Library (e.g. lists of suppliers, publishers, invoices; catalogue of the collection; new books list; and a circulation system). Other commercial databases and/or software packages are used by the legal service delivery areas for searches with respect to prosecutions, opinions, Supreme Court decisions, and agent supervision. The library technician works closely with the User Networks and Support group, which supports all database software and maintains the servers that house the library databases and software.

The library technician is responsible for populating the regional databases. This task involves retrieving information from multiple sources (CDs and e-mails) and using various processes (scanning documents and macros) to input data to the databases. The library technician is the only staff member who can add or change data in the databases. Two library software products, CS/TextWorks (Inmagic product) and ISIS, provide database search capability. The software products were recently upgraded to new versions by the UNS group in accordance with their processes. Database access is available through the library website. Employees can access the website and do searches against the various databases. Links to other sources of information or sites are also maintained on the library website.

Other library applications available for searches of legal or related databases include QuickLaw (main application used), QuickFind, taxnet.pro, and InsolvencySource. Approximately 95 percent of the searches are charged to the client files. The individual requesting the search completes a request form that must include client/case information for cost recovery purposes. The billing reconciliation process is time consuming, as it entails matching the request with paper invoices. The Senior Librarian and finance staff are reviewing the process with a view to streamlining it, which may include receiving electronic invoices.

A new clerical resource, who will be moved from the records area in November 2005, will support the Senior Librarian and library staff. One of the clerk's main tasks will be to document library processes and procedures, since most of these are not documented. This documentation process will present an opportunity to review these processes and procedures. In our view the lack of documentation of processes and procedures presents a risk to the effective functioning of the Library.

The planned retirement of two key library staff (i.e. Senior Librarian and the library technician) within five years also presents a risk to the BCRO. To address this risk, the Director BMG should develop a succession plan for these key staff. In addition, as part of succession planning, the library technician and Senior Librarian should review their roles and responsibilities in light of departmental changes.

#### Recommendations and Management Response

**20. It is recommended that the Director BMG ensure that library processes and procedures are documented, reviewed, and streamlined.**

I agree. The Library procedures, policies and processes fall into several different types:

1. Technical Services – processes and procedures that assist with the handling of all library materials and operations. This would include the cataloguing, classification and processing of all library material, circulation and the updating of loose-leaf texts.

Many of the procedures and processes are continually being reviewed and the written versions are being updated as necessary. These instructions are given and made available to all new staff and any practicum students (either library and information technology students or those completing their Masters' Degree in Library and Information Science), so that they are able to carry out the technical services functions assigned to them.

The BCRO library also adheres to and uses many of the general national and international library standards and principles such the Anglo-American Cataloguing rules (AACR2), Machine Readable Cataloguing standards (MARC21), Library of Congress Subject Headings, and international recognized classification schemes as the Library of Congress and Moys (specifically for law libraries). The regional library has access to these standards on the Library of Congress or the Library and Archives of Canada websites.

The bodies concerned are constantly updating these standards and they are considered part of the documentation of any recognized library's technical services processes.

2. Public/Reference Service – these policies and procedures relate mainly to the reference/research function of the Library (i.e. the provision of information/documents, etc. in response to information requests from BCRO staff). This will also include such services as interlibrary loan, document delivery and the Library's alerting services.

Most of these policies and procedures have been documented and have been updated as necessary. However, certain policies such as the Level of Service and Access to the Collection need to be created. The Departmental Libraries Management Group (DLMG) is currently reviewing many of the common Library policies and when this review is complete (sometime in 2007); certain BCRO policies can be developed just for the BCRO situation or in accordance with the DLMG standards.

Again, the Library conforms to both national and international standards and protocols such as the Canadian Library Association Interlibrary Loan code and the Interlibrary Loan Code of the United States developed by the Library of Congress and the protocol for arranging interlibrary loans and document delivery developed by the Library and Archives of Canada.

3. Technology/Computer Applications – these policies and processes would apply to the Library's many computerized applications and technology related equipment.

Many of the processes which involve the operation of the Library's computerized equipment (e.g. digital sender, CD burner and flat bed scanner) have been documented. They are continually being revised as necessary with new versions of software. Very few of the procedures related to the creation and maintenance of the Library's databases and web pages are documented. The Electronic Systems Library Technician is working in partnership with the various members of the Information Technology unit on the Library's various software programs. Thus, members of IT are becoming more familiar with the software. More effort will be made over the next 18 months (Sept. 2006 – 2008) to document the types of databases that the Library has, how they are created, how various query and results screens are created, etc.

4. Administrative Services – these policies and processes relate to the many administrative services that the Manager, Library Services manages.

They would include such items as: the development of the Library's print and electronic resources to meet the needs of the various practice areas of law that BCRO handles; preparation of the Library's centralized and decentralized budget; preparation of the decentralized Library expenditure reports and approval forms for the various Portfolio Heads; preparation of the regular Library and photocopying invoices for submission to Finance or Portfolios; negotiation with publishers and on-line service vendors related to the print and electronic services the BCRO library receives/subscribes; various types of training (both internal/external) given to BCRO staff, etc.

Only a limited number of these policies and procedures have been documented. Again, some policies need to be developed in conjunction with the DLMG and others are unique to BCRO. Many of these will be developed over the next 18 months as the DLMG formalizes its standards.

**21. It is recommended that the Director BMG ensure that a succession plan for library staff is developed.**

I agree. There is the possibility that two members of the BCRO library staff – Manager, Library Services & the Electronic Systems Library Technician may retire within a few years of each other and within the next 5 years.

1. Electronic Systems Library Technician

The present incumbent has been with the Library for 19 years. Over the past year the incumbent has been partnering more with the members of IT to become more familiar with the larger IT infrastructure in the BCRO. He has also been working with them to ensure some basic familiarity by IT of the Library's two main software programs (Inmagic CStextworks and ISYS). A revised job description is being developed to more accurately reflect current duties (mid 2006) which will assist in ensuring that BCRO is better positioned to staff when the vacancy occurs. In the meantime, BMG is considering the possibility of an IT staff member to develop a more in depth knowledge of the library's computerized applications and to work more closely with the incumbent so that they become much more familiar with the library's applications. This would also allow a transfer of IT knowledge related to the Library's needs.

2. Manager, Library Services

In late 2005, the position of the Manager, Library Services, was reclassified and upgraded one level to an LS-04, which reflected the extensive change to the duties and functions of this position over the last 5-7 years. (There are very few LS-04 positions in the federal



government outside of Ottawa.) Currently, the incumbent operates without another professional colleague in the same job category in the region and has a functional relationship with the Headquarters Library and Headquarters Librarian. The present incumbent has been with the regional office for many years and has watched the regional office develop into the dynamic and complex legal culture /environment that it is now.

The position requires a person with many levels of knowledge, expertise and skills:

- Masters' Degree in Library and Information Science
- Knowledge and significant experience in management and administration of special, government or law libraries
- Extensive knowledge of legal research resources (both print & electronic)
- Extensive knowledge of legal terminology
- Significant familiarity with federal government library procedures, policies, legislation and terminology

As each Justice regional office operates quite independently and has its own policies, procedures and processes, the successor needs to be familiar with these regional variables as well the general federal government legislation, regulations and policies. The federal government, just like a corporation, has its own jargon and one has to be knowledgeable in order to perform this job correctly and effectively.

Given this background and given the budgetary constraints that exist within the regional administration portfolio, the Director BMG will be working with Human Resource specialists and the Director, Library National Headquarters to develop a formal succession plan for the library over the next two years. Meanwhile, the Manager, Library Services, will continue to build on and foster relationships with the network of departmental libraries across the country (DLMG) and other local law librarians in the Vancouver area as these fellow librarians will have the level of knowledge and expertise to assist and support the BC librarian in the successful management of the regional Library.

**22. It is recommended that the Director BMG continue efforts to improve the billing reconciliation processes for cost recovery of library services.**

I agree. Historically the Library has performed the cost recovery process for both the photocopying invoices received in response to research requests and the on-line services (QuickLaw, and more recently QUICKFIND, Taxnetpro and Insolvencysource).

Through the successful collaboration of BMG staff, an automated system has been developed on the QuickLaw service and is currently in the early implementation phases. Once this system has been fully implemented, it will set the stage for the other on-line Library services - Quickfind, TaxNetpro and Insolvencysource. The expected efficiency gains in terms of staff time from the implementation of these various processes is in excess of 50 hours per month.

### **6.3 Litigation Support**

The Litigation Support group, which reports to the Director BMG, provides litigation support services to the various legal service delivery areas. The group consists of the Coordinator (SI5), who has experience in several legal service delivery groups as a paralegal, and a computer specialist (CS2), who has experience with software tools, conversion, data export and import, and database tools.

In December 2003, as part of the Barristers Briefcase project, the RingTail computer software product was rolled out to the BCRO. RingTail is the software product used to manage evidence in complex legal cases. It requires dedicated support from both a business and technical perspective. Automated litigation support includes a wide range of services and products that help lawyers acquire, organize, develop, and support evidence. Data processing, image management, and other technologies facilitate the process for organizing materials (e.g. documents, photo evidence) so that these can be effectively accessed and utilized when conducting litigation. There is a significant amount of work and risk involved in managing evidence over time. If evidence is not appropriately managed, there can be serious consequences for conducting cases. For example, evidence may be lost or may not be located among the volumes of paper and electronic correspondence.

A national RingTail users group that has litigation support staff representatives from all regions and headquarters has weekly conference calls and shares knowledge, experience, and expertise. RingTail is a reliable product that collects and codes different types of evidence and is effective for doing searches. Overall, it is very well received across the Department. The amount of support for using RingTail varies among BCRO staff. Experienced lawyers who understand the risks and amount of work associated with managing evidence over time as well as staff in legal service delivery areas who work on complex, multi-year cases are the most interested.

Funding for the Litigation Support group in the BCRO is a key issue. The group was initially set up in January 2004 and at that time Headquarters did not provide funding. Initially the

Coordinator (SI5) salary was covered by the BMG's budget and the computer specialist (CS2) position by that of the Aboriginal legal service delivery area. The Deputy Minister's discretionary reserve fund now covers the computer specialist (CS2) position and 50 percent of the Coordinator (SI5) position. The Director BMG and the Coordinator are currently developing a business case to ensure complete and continued funding and to address cost recovery for the group. As part of this business case, data has been collected through iCase to measure exactly how much time is being spent by the litigation support group. A preliminary analysis indicated the need for an additional resource in the group.

Overall, the Litigation Support group is well organized and effective. There is a risk in having the computer specialist (CS2) report to the Litigation Support coordinator instead of the UNS group. The risk could be mitigated if the specialist attends the IT meetings and works closely with the UNS group. This would ensure the incumbent is knowledgeable about departmental IT policies, standards, procedures, and future technical directions.

#### Recommendations and Management Response

### **23. It is recommended that the Director BMG complete the business case on the ongoing funding of the Litigation Support group and the issue of cost recovery.**

I agree. While the Litigation Support Centre is a national program for which the funding strategy is being reviewed as part of the Departmental Legal Services Review, the Director BMG will fully support the Legal Services Review Team in providing a regional perspective.

The Barrister's Briefcase program, including the creation of regional Litigation Support Centres, was approved by Bit.Com in July 2003. The long-term funding for this program (salary and O&M) will be addressed as part of the overall funding review of the Department of Justice. An interim funding model for this program (salary and O&M) was finalized effective April 1, 2005. The funding is achieved in part through cost recovery and in part from the DM Reserve. SI positions are funded 50% from cost recovery from client departments or portfolios and 50% from DM Reserve funding. CS positions are funded 100% from the DM Reserve; Treasury Board policy prohibits the cost recovery of CS positions. O&M funding is received from the DM reserve proportional to the number of FTEs and via cost recovery from client departments or portfolios proportionate to the recovery of salary dollars. The DM Reserve allocation to the Barrister's Briefcase program for 2006/07 included an incremental increase in funding for an additional computer specialist (CS-01) and Litigation Support Specialist (SI-03). Both the business and technical members of the Litigation Support Centre team timekeep in iCase to facilitate cost recovery and demonstrate the DM Reserve funding is dedicated to the program.

**24. It is recommended that the Director BMG ensure that the computer specialist in the Litigation Support group continues to work closely with the User Networks and Support group.**

I agree. Currently, the computer specialist of the Litigation Support Centre is physically located with the IT group, is a member of the IT email group, attends weekly IT group meetings, and is included in IT group memberships for online resources and training. The Manager, IT currently provides functional direction to the computer specialist and will continue to provide input to the computer specialist's PREA and Individual Learning Plan.

As mentioned in the management response to Recommendation #17 and #18, the Information Technology Strategic Renewal report and the renewal strategy includes a re-organization along service lines – Infrastructure, Client Services, Litigation Support, and Applications. These four service lines, headed up by CS 02's, supported by CS-01's and managed by CS-03's, will be responsible for the provision of the specific services to the BCRO. As such, all CS Litigation Support provided in the region will be directly under the guidance and involvement of the BCRO Regional IT group.

## 7. RECOMMENDATIONS AND MANAGEMENT RESPONSE

- 1. It is recommended that the Director BMG ensure an appropriate division of financial responsibilities with respect to accounting and financial management and reporting. ..16**

I agree. Since the completion of the audit, significant changes in the organizational structure of the BMG have been approved that directly address this recommendation. The changes implemented in the Finance division include two separate and distinct units, with two separate Financial Officers accountable for each unit. The financial services units are Financial Planning, Advisory & Reporting Unit and the Financial Transactions, Policy and Review & Monitoring Unit.

The Financial Planning, Advisory & Reporting Unit, comprised of a financial manager, three financial officers and a financial support position, are responsible for regional financial budgeting, reporting, analysis, cost recovery, and advisory services. In addition, this unit maintains a close working relationship with their National Headquarters finance and portfolio colleagues.

The Financial Transactions, Policy and Review & Monitoring Unit, comprised of a financial manager, five financial specialists and one financial officer, are responsible for processing the regions financial transactions, providing financial policy advice and clarification, as well as for the regional internal financial review and monitoring activities. This unit also maintains a close working relationship with the National Headquarters financial policy group.

- 2. It is recommended that the Director BMG communicate more fully with staff when introducing organizational changes to enhance staff understanding of the underlying reasons for the changes.....16**

I agree. It is recognized that communication in any organization is challenging and so much more so when implementing organizational changes. The Director, BMG recognizes the issues and challenges around the communication of the organizational change and has made communication a priority. The BMG team leaders as well as representatives from four client

portfolios were actively involved in the BMG review process. Their involvement positioned them to communicate and update the various BMG and Portfolio staff on the review as it progressed.

Since the audit report, the BMG review has been finalized and distributed to all BMG staff. The report was discussed at length during the BMG 2<sup>nd</sup> annual one day meeting held in June/06. The meeting provided an opportunity to review what BMG had heard over the past year with respect to their strengths, areas for improvement, and opportunities for consideration; it provided a forum for discussion on the way forward and clarified how the new organizational structure would enable the group to achieve the efficiencies and effectiveness improvements identified in the report. Communication methods were varied: both small and large group discussions; opportunities for staff to ask questions, raise concerns, and provide comments; and group presentations on how they were going to achieve results. In addition, a portion of the day was devoted to a change management seminar which allowed, through the facilitation of a professional change management consultant, the staff to gain an understanding of the different personal reactions to change and an appreciation for the various phases of organizational change.

The Director, BMG has also taken the opportunity to brief the Senior Management Committee, the Regional Administrative Committee, the PSAC union representative, and the DG's of Finance & Administration and of IM/IT on the BMG Review and the organizational changes.

An ongoing communication strategy is currently being developed with the assistance of the BCRO Communications office.

**3. It is recommended that the Director BMG ensure that annual business plans are prepared and monitored.....19**

I agree. The 2007/08 regional business planning process requires each portfolio to develop operational plans for the purpose of demonstrating how the business and management priorities identified in the regional business plan will be achieved and operationally implemented in the various portfolios. For BMG, this requirement will be met through the development of operational plans by each specific unit – Library, Information Technology, Information Management, Material Management, Security, Administration/Reception/ATIP, Financial Services, Accommodations and the Litigation Support Centre. These individual operational plans will form the basis for the annual performance agreements/objectives for each of the unit managers and will be monitored and reported on throughout the year.

**4. It is recommended that the Director BMG continue with the team approach regarding the management of the budgeting process.....19**

I agree. The team approach implemented within BMG with respect to the management of the budgeting process will remain in place.

**5. It is recommended that the Director BMG ensure that the specific issues documented in the draft report of the Business Management Review are addressed.....19**

I agree. Since the completion of the audit, the BMG review has been accepted by the Director of BMG and by the Senior Regional Director. The report identified 18 specific improvement initiatives to increase client value (effectiveness) and to achieve operational excellence (efficiency). Along with the implementation of a new organizational structure which will enable the group to achieve the efficiencies and effectiveness improvements identified in the report, working groups composed of both BMG and Portfolio staff will be tasked with moving the various improvement initiatives forward.

BMG has already achieved success on a number of the issues documented in the review, for example:

- the regional ATIP function has been enhanced through the formal documentation, communication and on-going training of regional ATIP procedures;
- a year-end resource deployment strategy was implemented resulting in more effective use of regional budgets and greater client satisfaction;
- significant changes to the regional internal cost recovery processes have been implemented resulting in notable efficiencies;
- the Financial Services unit was fully staffed through competitive processes and the reorganization has been successfully implemented; and
- joint initiatives with the Prairies Regional Office are well underway.

**6. It is recommended that the Director BMG develop performance standards and monitor these standards as part of the management control framework for the region, as discussed in the draft report of the Business Management Review. ....22**

I agree. BMG is moving forward in developing service standards for their units in consultation with the National Headquarters functional authorities and with their counterparts in other regional offices. BMG will further build on these service standards to develop regional client service level agreements within the coming year. Development of Client

Service Level Agreements will be a primary focus for the Information Management, Material Management and Information Technology areas in particular.

The Financial Services unit has moved forward in developing some performance standards which include: monthly analysis and reporting of regional budget to the SRDO, monthly portfolio financial reports produced and meetings held with Portfolios to identify high risk areas and potential solutions for anticipated pressures, compliance standards for various financial areas (travel, section 34, hospitality, policy, contracting, etc.); and bi-monthly compliance reports produced and reported to SRD and Senior Management Team.

The Litigation Support Centre has also developed a fairly comprehensive listing of performance standards which are monitored and reported on a regular basis. For example, performance is monitored for the number of new cases in Ringtail, the number of new Ringtail users, and the hours of training provided. Additionally, there are set standards to ensure teams are using various electronic litigation support tools in a manner that is consistent with what is required by the rules of court and/or evolving jurisprudence.

- 7. It is recommended that the SRD BCRO apprise the Director General, Finance, Administration and Programs Directorate in headquarters of the issues pertaining to cost recovery processes and procedures. ....25**

I agree. Since this particular recommendation was conveyed, the SRD BCRO has had several communications with the DG, FAAP on the various issues pertaining to cost recovery processes and procedures. National Headquarters has gained a very good understanding of the regional concerns and we are jointly working towards solutions.

- 8. It is recommended that the Director BMG continue to improve the regional financial management function by further developing processes and procedures, training BMG financial staff, and providing more training on financial management and reporting for legal service delivery area managers and staff.....25**

I agree. Since the completion of this audit, the finance group has made incredible progress in addressing this recommendation. A review of all invoice payment processes was completed and recommendations developed and endorsed by Senior Management Committee to implement a number of policy and procedural changes resulting in efficient streamlined approaches that ensure the appropriate people are authorizing sections 32 & 34 and that the invoices are being paid in a timely manner. It is important to note that the BMG units worked collaboratively on these initiatives to ensure that technology was incorporated to the



greatest extent possible in moving forward on streamlining the processes and in the development of the various financial policies and procedures.

A Finance 101 course was developed which includes 9 Modules covering a variety of topics such as: Financial Signing Authorities, Chart of Accounts & Coding, Accounts Payable, Acquisition Cards, Travel, Monitoring your Budget, and Department of Justice's Planning Process. This course is planned to be delivered to the regional legal managers, and staff during the current 2006/07 fiscal year.

- 9. It is recommended that the Director BMG improve financial control to address the issues noted in this report. For example, improved controls should include the assurance that Section 34 (FAA) approval is undertaken by the RC managers in the legal service delivery areas; that a printed version of signatures is included in the signature block; and that individuals have appropriate signing authority.....27**

I agree. Since the completion of this audit, regional financial controls have been implemented which fully address the concerns noted in the audit report. BCRO staff with signing authority for budgets and/or for staff of the office who use and expend government resources were reminded of their accountabilities under the FAA through both written and verbal communication by the SRD and by the BMG/Financial Services unit.

As part of the larger BMG re-organization, the Financial Services group re-organization involved the creation of a Review & Monitoring function. The purpose of the Review & Monitoring function is to help ensure that the region is fully compliant with its accountabilities around the FAA, TB Directives and Policies, and national and regional financial policies and procedures. As part of this new function, finance has developed a bi-monthly compliance report which is presented to the Senior Management Team. The report, which is an exception based report, highlights non-compliance items regarding policies and procedures, their accuracy, completeness and timeliness, their impacts, trends (comparing previous reports, volumes of transactions and percentages of non-compliance) and communication on how to correct for future.

BMG has also undertaken a review of the Financial Signing Authorities in the region to ensure that they have been correctly completed in accordance with the delegation of signing authorities.

**10. It is recommended that the Director BMG implement a risk-based sampling approach for testing the effectiveness of Section 33 (FAA) approval and a framework for reporting to management on the results of this testing process.....28**

I agree. The Financial Services, Review & Monitoring has developed procedures to implement a risk based sampling approach for testing the effectiveness of Section 33 approval. This includes completing a full pre-payment audit on all payments over \$25K as well as selecting every 50th payment for full pre-payment audit regardless of dollar value. This selection will ensure we are sampling approximately 2% of the population of 2000 monthly invoices.

Currently, the BCRO Bi-Monthly compliance report has indicated a non-compliance rate of 1.4% to 1.6% - this sampling will exceed these rates at 2%. For the selected transactions, the following will be reviewed to ensure quality of checks and procedures under the S. 33 process:

- verification of information within system and documents,
- compliance with policies, directives and regulations,
- verification of entitlement,
- approval under S. 34.

All errors (critical and non-critical) will be presented and reported to the Senior Management Committee for information and follow-up as required.

There also currently exists a prepayment audit process in which the Accounts Payable clerks conduct prior to processing any payments. Any errors identified during this prepayment audit are corrected and identified on the Bi-Monthly compliance report which is presented to the Senior Management Committee.

**11. It is recommended that the Director BMG ensure that the regional training course on contract management is completed and given to all staff in legal service delivery areas.30**

I agree. A regional training course on contracting management has been developed and presented to legal services staff in two different portfolios during March and April 2006. As a result of client feedback and questions received during and after these sessions, slight revisions and additions were incorporated into the training material. It is anticipated that all staff in the various legal service delivery areas within BCRO will be provided with the opportunity to attend the contracting training course over the next year.

**12. It is recommended that the Director BMG assess the requirements for the contracting function and determine the need for a regional resource at the PG3 level. ....30**

I agree. The Director, BMG continues to work collaboratively with National Headquarters Contracting unit and with the Human Resource Classification group to determine the appropriate classification level for the regional contracting function. Some of the issues currently under consideration are that the regional workload in the contracting area does not support a full time equivalent position, that the work involved in the region is quite different from the national role and that there is no additional funding source available to staff a regional PG position.

Further, I understand that there is currently an audit being conducted on the contracting function at National Headquarters. Although the regions are not included in the scope of this audit, the National Headquarters audit may potentially lead to resolution of some of the issues surrounding the regional contracting functions and positions. As such, BCRO will continue to work with National Headquarters in addressing this issue.

**13. It is recommended that the Director BMG ensure that inventory labels are placed on furniture as the furniture is moved into the renovated space, and that a formal inventory is created at that time using the existing inventory system for IT assets. ....32**

I agree. Since the completion of this audit, appropriate asset management practices have been fully implemented within the region that addresses the concerns raised in the audit report. Inventory labels are placed on all new furniture and equipment when received and all relevant asset information is entered in into an MS Access database.

In consultation with the Information Technology staff and Materiel Management staff it was determined that the current inventory system for IT assets (Dashboard) has a number of limitations, and would not, without significant modifications, be the best platform for tracking furniture and other non-IT related assets. As such, in moving forward on this initiative BMG is reviewing the use of the BassetPro asset management software, currently in use in the NCR, for tracking both IT and non-IT related assets. The use of the BassetPro software will ensure that all relevant data, regardless of asset type, will be collected, and once the software is officially rolled out to the regional offices the data collected will be compatible.

**14. It is recommended that the Director BMG ensure that regular security sweeps are conducted of sites where the BMG has responsibility for security. ....33**

I agree. Regular security sweeps will be implemented beginning October, 2006 for 840 Howe Street, 900 Howe Street and 211 Columbia. These security sweeps will be performed at a minimum of twice a year.

BMG is currently working with SOTAD, National Headquarters to develop regional procedures for security sweeps. The security sweeps form part of a larger ongoing effort to bring greater security awareness to all regional Department of Justice staff.

**15. It is recommended that the Director BMG ensure that the business continuity plan for the region is reviewed and updated. ....**

The BCRO Business Continuity Plan is currently under review and is being updated accordingly. As each individual portfolio, who is responsible for updating/reviewing their areas of responsibility, communicates these changes to the BMG Business Continuity Plan Co-ordinator, the plan is continually updated to ensure the most current information exists. All future updates to the plan will be completed as a result of a more formal process (formal regional initiated call letter, etc) occurring on a regular nine month basis.

**16. It is recommended that the Manager, User Networks and Support report issues concerning the national Helpdesk function to IMB at headquarters.....40**

I agree. Since this particular recommendation was conveyed, the IT Manager has had several communications with IMB National Headquarters on the various issues pertaining to the national Helpdesk function. National Headquarters has gained a very good understanding of the regional concerns and, together, along with the CGI Contractor, we are working towards addressing the various concerns.

**17. It is recommended that the Manager, User Networks and Support address IT issues identified in the self-assessment, undertake periodic self-assessments, and promote better understanding of IT functions in the business areas. ....40**

I agree. As a result of the BMG review, it became apparent that a further detailed study of the Information Technology group was required in order to gain a better understanding of the IT areas of concern/weaknesses that were raised in the review and to develop a strategy to address these findings. As a result, and in consultation with the SRD, BCRO and the DG, IM/IT, the Prairie Regional Office IM/IT Director agreed to conduct a study of the BCRO IT group. The study focused on the following two questions:

1. Are current BCRO IT resources performing to their potential, particularly in terms of “value-added” business support?
2. What can be done to improve IT performance and better meet client expectations?

The draft report was just recently presented to the BCRO IT Steering Committee which resulted in the steering committee accepting the report with only a few minor revisions. (BCRO IT Steering Committee members include the SRD, Associate SRD, Director BMG, Director Tax, Director Business Planning and Performance Management and two senior counsels.)

The Information Technology Strategic Renewal report answered the two questions noted above through the identification of issues/concerns in several different areas – IT Management, IT Services, IT Staff, Client Relations, and Performance Management. The renewal strategy includes a detailed action plan (outlining key milestones and activities) and a timeline/work schedule which is expected to result in significant improvements in IT by December, 2007.

**18. It is recommended that the Director BMG ensure that any system development carried out in the region meets regional and departmental IT standards by ensuring all applications, including those developed by the Strategic Planning and Performance Measurement group, are under the guidance and involvement of the regional User Networks and Support group. ....42**

I agree. As part of the IT Strategic Renewal Strategy noted above, the IT function will be re-organized along service lines – Infrastructure, Client Services, Litigation Support, and Applications. These four service lines, headed up by CS 02’s, supported by CS-01’s and managed by CS-03’s, will be responsible for the provision of the specific services to the BCRO. As such, all system development carried out in the region will be directly under the guidance and involvement of the BCRO Regional IT group.

It is important to note that although past practices within BCRO had at times involved CS resources working on specific application development projects with Department of Justice staff outside of the IT area, the CS’s were at all times under the functional direction of the Manager, IT. In fact, all CS’s within the region, regardless of their physical location or line reporting relationship, participated in the weekly IT team meetings and liaised on a regular basis with the Manager, IT to ensure their work was in compliance with departmental and TB standards, policies and procedures.

**19. It is recommended that the Director BMG address the issues noted above by implementing a framework for managing information that complies with national information management requirements. ....47**

I agree. Since the audit report, BMG has permanently staffed the Manager, Information Management (IM) with an experienced AS-03 and the IM group has moved to its new location; thus, many of the concerns raised in the audit report with respect to formalizing policies and procedures and to information security have been addressed.

The file storage concerns noted with respect to the individual portfolio areas will continue to be addressed as BCRO moves forward on the accommodation project (completion date is not set at this time). However, for the most part, file storage concerns raised around security and occupational health and safety issues have been addressed by BMG and by the regional OSH committee.

IM is working to formalize policies and procedures by November 2006 and to develop Service Level Agreements and offer training to regional legal service portfolios to ensure a clear understanding of the IM procedures and the reasons for their existence by December 2006. Information Management regional compliance reviews are scheduled for the spring of 2007. In the longer term, the development of an information management framework will be developed in consultation with IM, National Headquarters and the implementation of the new classification system and RDIMS is scheduled for the fall of 2007.

**20. It is recommended that the Director BMG ensure that library processes and procedures are documented, reviewed, and streamlined. ....50**

I agree. The Library procedures, policies and processes fall into several different types:

1. Technical Services – processes and procedures that assist with the handling of all library materials and operations. This would include the cataloguing, classification and processing of all library material, circulation and the updating of loose-leaf texts.

Many of the procedures and processes are continually being reviewed and the written versions are being updated as necessary. These instructions are given and made available to all new staff and any practicum students (either library and information technology students or those completing their Masters Degree in Library and Information Science) so that they are able to carry out the technical services functions assigned to them.

The BCRO library also adheres to and uses many of the general national and international library standards and principles such as the Anglo-American Cataloguing rules (AACR2), Machine Readable Cataloguing standards (MARC21), Library of Congress Subject Headings, and international recognized classification schemes as the Library of Congress and Moys (specifically for law libraries). The regional library has access to these standards on the Library of Congress or the Library and Archives of Canada websites. The bodies concerned are constantly updating these standards and they are considered part of the documentation of any recognized library's technical services processes

2. Public/Reference Service – these policies and procedures relate mainly to the reference/research function of the Library (i.e. the provision of information/documents, etc. in response to information requests from BCRO staff). This will also include such services as interlibrary loan, document delivery and the Library's alerting services

Most of these policies and procedures have been documented and have been updated as necessary. However, certain policies such as the Level of Service and Access to the Collection need to be created. The Departmental Libraries Management Group (DLMG) is currently reviewing many of the common Library policies and when this review is complete (sometime in 2007); certain BCRO policies can be developed just for the BCRO situation or in accordance with the DLMG standards.

Again, the Library conforms to both national and international standards and protocols such as the Canadian Library Association Interlibrary Loan code and the Interlibrary Loan Code of the United States developed by the Library of Congress and the protocol for arranging interlibrary loans and document delivery developed by the Library and Archives of Canada.

3. Technology/Computer Applications – these policies and processes would apply to the Library's many computerized applications and technology related equipment.

Many of the processes which involve the operation of the Library's computerized equipment (e.g. digital sender, CD burner and flat bed scanner) have been documented. They are continually being revised as necessary with new versions of software. Very few of the procedures related to the creation and maintenance of the Library's databases and web pages are documented. The Electronic Systems Library Technician is working in partnership with the various members of the Information Technology unit on the Library's various software programs. Thus, members of IT are becoming more familiar with the software. More effort will be made over the next 18 months (Sept. 2006 – 2008)

to document the types of databases that the Library has, how they are created, how various query and results screens are created, etc.

4. Administrative Services – these policies and processes relate to the many administrative services that the Manager, Library Services manages.

They would include such items as: the development of the Library’s print and electronic resources to meet the needs of the various practice areas of law that BCRO handles; preparation of the Library’s centralized and decentralized budget; preparation of the decentralized Library expenditure reports and approval forms for the various Portfolio Heads; preparation of the regular Library and photocopying invoices for submission to Finance or Portfolios; negotiation with publishers and on-line service vendors related to the print and electronic services the BCRO library receives/subscribes; various types of training (both internal/external) given to BCRO staff, etc.

Only a limited number of these policies and procedures have been documented. Again, some policies need to be developed in conjunction with the DLMG and others are unique to BCRO. Many of these will be developed over the next 18 months as the DLMG formalizes its standards.

**21. It is recommended that the Director BMG ensure that a succession plan for library staff is developed.....52**

I agree. There is the possibility that two members of the BCRO library staff – Manager, Library Services & the Electronic Systems Library Technician may retire within a few years of each other and within the next 5 years.

1. Electronic Systems Library Technician

The present incumbent has been with the Library for 19 years. Over the past year the incumbent has been partnering more with the members of IT to become more familiar with the larger IT infrastructure in the BCRO. He has also been working with them to ensure some basic familiarity by IT of the Library’s two main software programs (Inmagic CStextworks and ISYS). A revised job description is being developing to more accurately reflect current duties (mid 2006) which will assist in ensuring that BCRO is better positioned to staff when the vacancy occurs. In the meantime, BMG is considering the possibility of an IT staff member to develop a more in depth knowledge of the library’s computerized applications and to work more closely with the incumbent



so that they become much more familiar with the library's applications. This would also allow a transfer of IT knowledge related to the Library's needs.

## 2. Manager, Library Services

In late 2005, the position of the Manager, Library Services was reclassified and upgraded one level to an LS-04 which reflected the extensive change to the duties and functions of this position over the last 5-7 years. (There are very few LS-04 positions in the federal government outside of Ottawa.) Currently, the incumbent operates without another professional colleague in the same job category in the region and has a functional relationship with the Headquarters Library and Headquarters Librarian. The present incumbent has been with the regional office for many years and has watched the regional office develop into the dynamic and complex legal culture /environment that it is now.

The position requires a person with many levels of knowledge, expertise and skills:

- Masters Degree in Library and Information Science
- Knowledge and significant experience in management and administration of special, government or law libraries
- Extensive knowledge of legal research resources (both print & electronic)
- Extensive knowledge of legal terminology
- Significant familiarity with federal government library procedures, policies, legislation and terminology

As each Justice regional office operates quite independently and has its own policies, procedures and processes, the successor needs to be familiar with these regional variables as well the general federal government legislation, regulations and policies. The federal government, just like a corporation, has its own jargon and one has to be knowledgeable in order to perform this job correctly and effectively.

Given this background and given the budgetary constraints that exist within the regional administration portfolio, the Director BMG will be working with Human Resource Specialists and the Director, Library National Headquarters to develop a formal succession plan for the library over the next two years. Meanwhile, the Manager, Library Services will continue to build on and foster relationships with the network of Departmental libraries across the country (DLMG) and other local law librarians in the Vancouver area as these fellow librarians will have the level of knowledge and expertise to assist and support the BC librarian in the successful management of the regional Library.

**22. It is recommended that the Director BMG continue efforts to improve the billing reconciliation processes for cost recovery of library services.....53**

I agree. Historically the Library has performed the cost recovery process for both the photocopying invoices received in response to research requests and the on-line services (QuickLaw, and more recently QUICKFIND, Taxnetpro and Insolvencysource).

Through the successful collaboration of BMG staff, an automated system has been developed on the QuickLaw service and is currently in the early implementation phases. Once this system has been fully implemented, it will set the stage for the other on-line Library services - Quickfind, TaxNetpro and Insolvencysource. The expected efficiency gains in terms of staff time from the implementation of these various processes is in excess of 50 hours per month.

**23. It is recommended that the Director BMG complete the business case on the ongoing funding of the Litigation Support group and the issue of cost recovery.....55**

I agree. While the Litigation Support Centre is a national program for which the funding strategy is being reviewed as part of the Departmental Legal Services Review, the Director BMG will fully support the Legal Services Review Team in providing a regional perspective.

The Barrister's Briefcase program, including the creation of regional Litigation Support Centres, was approved by Bit.Com in July 2003. The long-term funding for this program (salary and O&M) will be addressed as part of the overall funding review of the Department of Justice. An interim funding model for this program (salary and O&M) was finalized effective April 1, 2005. The funding is achieved in part through cost recovery and in part from the DM Reserve. SI positions are funded 50% from cost recovery from client departments or portfolios and 50% from DM Reserve funding. CS positions are funded 100% from the DM Reserve; Treasury Board policy prohibits the cost recovery of CS positions. O&M funding is received from the DM reserve proportional to the number of FTEs and via cost recovery from client departments or portfolios proportionate to the recovery of salary dollars. The DM Reserve allocation to the Barrister's Briefcase program for 2006/07 included an incremental increase in funding for an additional computer specialist (CS-01) and Litigation Support Specialist (SI-03). Both the business and technical members of the Litigation Support Centre team timekeep in iCase to facilitate cost recovery and demonstrate the DM Reserve funding is dedicated to the program.

**24. It is recommended that the Director BMG ensure that the computer specialist in the Litigation Support group continues to work closely with the User Networks and Support group. ....56**

I agree. Currently, the computer specialist of the Litigation Support Centre is physically located with the IT group, is a member of the IT email group, attends weekly IT group meetings, and is included in IT group memberships for online resources and training. The Manager, IT currently provides functional direction to the computer specialist and will continue to provide input to the computer specialist's PREA and Individual Learning Plan.

As mentioned in the management response to Recommendation #17 and #18, the Information Technology Strategic Renewal report and the renewal strategy includes a re-organization along service lines – Infrastructure, Client Services, Litigation Support, and Applications. These four service lines, headed up by CS 02's, supported by CS-01's and managed by CS-03's, will be responsible for the provision of the specific services to the BCRO. As such, all CS Litigation Support provided in the region will be directly under the guidance and involvement of the BCRO Regional IT group.