



Department of Justice
Canada

Ministère de la Justice
Canada

**AUDIT OF THE LEGISLATIVE SERVICES BRANCH
(DRAFTING AND ADVISORY SERVICES &
LEGISLATIVE REVISION SERVICES)**

**Internal Audit Branch
Department of Justice Canada**

OCTOBER 03, 2012

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STATEMENT OF CONFORMANCE AND ASSURANCE

We have completed the internal audit of the Legislative Services Branch at the Department of Justice. The overall objective of this audit was to assess the adequacy and effectiveness of the management framework to govern the activities of the Drafting and Advisory Services (DAS) and the Legislative Revision Services (LRS) groups in the Legislative Services Branch (LSB).

This audit conforms to the Internal Auditing Standards for the Government of Canada, as supported by the results of the quality assurance and improvement program.

In our professional judgment, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusion provided and contained in this report.

The conclusion is based on a comparison of the conditions, as they existed at the time of the audit (September 2011 – February 2012), against pre-established audit criteria that were derived from the TBS Management Accountability Framework as well as TBS audit guides.

Original signed by

Cheryl Driscoll CIA, CGAP, CCSA, CRMA, CFE
Chief Audit Executive

Date

EXECUTIVE SUMMARY

Conclusion

- 1 The Legislative Services Branch (LSB) has overall an adequate management framework in place to govern the activities of the Drafting and Advisory Services (DAS) and the Legislative Revision Services (LRS) groups. The framework could be improved through the introduction of a formalized process for resource planning and monitoring on a project basis.
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Introduction

- 2 The Legislative Services Branch (LSB) is headed by the Chief Legislative Counsel who reports to the Deputy Minister of the Department of Justice. The Branch's responsibilities include the drafting of all government bills and motions to amend; the review and drafting of regulations; the harmonization of federal legislation with the civil law of Quebec; and the updating, consolidation, and publication of federal statutes and regulations and related tables. The Branch drafts statutes and regulations in both official languages harmoniously with the common law and the civil law systems. The Branch is also responsible for ensuring that government bills and regulations are reviewed in light of the *Canadian Charter of Rights and Freedoms* and the *Canadian Bill of Rights*.
- 3 This audit was identified in the *2011-12 Internal Audit Plan*. The overall objective of the audit was to assess the adequacy and effectiveness of the management framework to govern the activities of the Drafting and Advisory Services (DAS) and the Legislative Revision Services (LRS) groups in the Legislative Services Branch (LSB).

Key finding

- 4 Only one area was identified for management attention. While the LSB currently considers elements of resource utilization as part of its scheduling and forecasting process, the Branch has not established a formalized process for resource planning and monitoring on a per project basis. Without this process, managers are limiting their ability to ensure that resources are being managed effectively and efficiently.

1.0 INTRODUCTION

1.1 Background

- 5 The Legislative Services Branch is headed by the Chief Legislative Counsel who reports to the Deputy Minister of the Department of Justice. The Branch's responsibilities include the drafting of all government bills and motions to amend; the review and drafting of regulations; the harmonization of federal legislation with the civil law of Quebec; and the updating, consolidation, and publication of federal statutes and regulations and related tables. The Branch drafts statutes and regulations in both official languages harmoniously with the common law and the civil law systems.
- 6 The Legislative Services Branch consists of three groups: the Administrative Services Group, the Drafting and Advisory Services Group, and the Legislative Revision Services Group. The audit focused on the functions of the latter two groups.
- 7 The Drafting and Advisory Services Group is responsible for the drafting of all government bills and motions to amend, and for drafting many regulations. The Group also participates in examining regulatory proposals under the *Statutory Instruments Act*. It provides advice on legal and drafting matters concerning federal acts, regulations, orders in council, proclamations, and other statutory instruments, and organizes and provides training in matters touching legislative drafting. In addition, the Group plays a co-ordinating role in respect of legislative initiatives in order to ensure the integrity and consistency of the entire body of federal legislation.
- 8 The Legislative Revision Services Group provides a variety of services related to the revision of existing or draft legislation and related documents. This Group consists of the Jurilinguistic Services Unit, the Legislative Editing and Publishing Services Section, the Bijural Revision Services Unit, and the Legislative Bijuralism Team. The Jurilinguistic Services Unit assists legislative counsel in achieving, in both official languages, the highest possible quality of language in legislative texts. The Legislative Editing and Publishing Services Section provides logistic analysis of legislative texts and editing services to legislative counsel. Both the Bijural Revision Services Unit (Taxation and Comparative Law) and the Legislative Bijuralism Team (Revision Initiatives) revise existing and draft legislative texts in order to ensure that they respect and take into account both the civil law and common law traditions in both official languages. In addition, these two units provide consultative services and contribute to the development of innovative harmonization tools and expertise.

1.2 Audit Objective and Scope

- 9 This audit was identified in the *2011-12 Internal Audit Plan*. The objective of the audit was to assess the adequacy and effectiveness of the management framework to govern the activities of the Drafting and Advisory Services (DAS) and the Legislative Revision Services (LRS) groups in the Legislative Services Branch.
- 10 The scope of the audit focused on the following areas:
 - governance and strategic directions;
 - business planning;
 - organizing and controlling;
 - leading and communicating; and
 - risk management.
- 11 These areas are considered to be integral to managing the operations and activities of the DAS and LRS groups.
- 12 The audit covered the processes and controls in place during the 2010-11 fiscal year.

1.3 Audit Criteria

- 13 Audit criteria were developed in consideration of the risks identified during the planning phase of the audit and were based on the Office of the Comptroller General's "Audit Criteria related to the Management Accountability Framework: A Tool for Internal Auditors" (March 2011)¹. The high level audit criteria are set out in *Appendix A*.

1.4 Approach and Methodology

- 14 The audit work was conducted between September 2011 and February 2012. The audit was carried out in three phases: Planning, Examination, and Reporting. The Planning phase consisted of a review and analysis of relevant documents and interviews with key personnel involved. The Examination phase consisted of a detailed review and validation of those areas which were identified as high risk during the Planning phase of the audit. Upon completion of the Examination phase, audit findings were presented to management for validation. The Reporting phase involved the preparation of a draft report to document the audit's findings, conclusions, recommendations, and resulting Management Action Plan.

¹ Sourced from the Office of the Comptroller General's "Audit Criteria related to the Management Accountability Framework: A Tool for Internal Auditors" (March 2011)

1.5 Strengths Identified

15 The following were identified as areas where controls were properly designed and applied effectively by management:

- The LSB has a governance structure that is aligned to the Department of Justice strategic objectives, and receives sufficient information to provide for adequate oversight of the organization.
- The LSB has an extensive framework for training and knowledge transfer. In addition to formal training initiatives, the Branch ensures that less experienced staff are paired with senior staff and that there are opportunities for mentoring, coaching, peer review and access to subject matter experts.
- LSB's approach to risk management is rigorous, adequate and revisited annually to meet changing operational requirements.

2.0 FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

2.1 Resource Utilization

Key Finding: There is no formalized process for resource planning and monitoring on a project basis.

Audit Criteria: The Legislative Services Branch is supported by appropriate business planning activities (e.g. established objectives; business, annual and work plans). [Audit Criteria 2.0]

The Legislative Services Branch is supported by adequate controlling mechanisms (e.g. workload management, accountability elements relating to performance monitoring and reporting). [Audit Criteria 4.0]

- 16 Ideally, effective project management practices include forecasting resource allocations on a project by project basis and comparing forecasted against actual resource utilization for monitoring/performance measurement.
- 17 While the LSB currently considers elements of resource utilization as part of its scheduling and forecasting process, the Branch has not established a formalized process for resource planning and monitoring on a per project basis. Each file is assigned to two legislative counsel – one is at a senior level while the other is generally more junior. This approach has been effective in ensuring quality while supporting staff development. However, without a process for planning and monitoring resource allocation on a per project basis, managers are limiting their ability to ensure that resources are being managed effectively and efficiently.

Recommendation and Management Response

- 18 **It is recommended that the Chief Legislative Counsel, Legislative Services Branch introduce a formalized process for resource planning and monitoring on a project basis. (Low Risk)²**

Agreed. The Chief Legislative Counsel, Legislative Services Branch will review and analyze past complex legislative projects in order to integrate and develop project management principles that are sensitive to the operational demands of the Branch. The Chief Legislative Counsel, Legislative Services Branch will then introduce a more formalized process for allocating and monitoring resources that reflects the particular context of the Branch. Targeted Completion Date: March 31st, 2013.

² The Risk Assessment Guidelines for Audit recommendations are found in **Appendix B**.

3.0 CONCLUSION

- 19 The Legislative Services Branch (LSB) has overall an adequate management framework in place to govern the activities of the Drafting and Advisory Services (DAS) and the Legislative Revision Services (LRS) groups. The framework could be improved through the introduction of a formalized process for resource planning and monitoring on a project basis.

APPENDIX A - AUDIT CRITERIA

The following high level audit criteria were developed during the planning phase of the audit and included relevant criteria to address specific risks identified in the planning phase. They were derived from TBS guidance on auditing management frameworks provided in the “*Core Management Controls: A Guide for Internal Auditors*”.

High Level Criteria	Results
<p>Governance and Strategic Direction 1.0 The Legislative Services Branch is supported by effective governance and strategic directions (e.g. strategic objectives, oversight bodies, lines of communication with oversight bodies).</p>	Met
<p>Business Planning 2.0 The Legislative Services Branch is supported by appropriate business planning activities (e.g. established objectives; business, annual and work plans).</p>	Partially Met
<p>Organizing 3.0 The Legislative Services Branch is supported by an adequate organizational structure (e.g. accountability elements relating to roles and responsibilities: organizational structure, position descriptions, number of positions, span of control).</p>	Met
<p>Controlling 4.0 The Legislative Services Branch is supported by adequate controlling mechanisms (e.g. workload management, accountability elements relating to performance monitoring and reporting).</p>	Partially Met
<p>Leading and Communicating 5.0 The Legislative Services Branch is supported by adequate leadership and communication (e.g. providing direction and communication information to staff during meetings, minutes, retreats, mentoring, e-mail updates, and open-door policy).</p>	Met
<p>Risk Management 6.0 The Legislative Services Branch is supported by effective risk management processes (e.g. processes to identify, mitigate and adjust risk management approaches to meet changing operational requirements).</p>	Met

APPENDIX B – RISK ASSESSMENT GUIDELINES*

Assessment	Significance Level and Impact
High	<p><u>Immediate Management Attention Required</u></p> <p>IMPACT:</p> <ul style="list-style-type: none"> • Weaknesses exist that could impact the Department’s financial statements, reputation and/or the Department’s goals or objectives. • Weaknesses could impact the Department’s efficiency and effectiveness of operations. • Risk to the Department is significant.
Medium	<p><u>Monitoring and Mitigation Required</u></p> <p>IMPACT:</p> <ul style="list-style-type: none"> • Weaknesses exist that could impact the entity’s financial records, the entity’s reputation, the entity’s goals or objectives or the efficiency and effectiveness of the entity’s operations. • Risk to the Department is moderate.
Low	<p><u>Improvement Required</u></p> <p>IMPACT:</p> <ul style="list-style-type: none"> • Opportunities are identified that could enhance operations by improving efficiency, effectiveness or control. • Risk to the Department is low.

* It should be noted that, in applying the above criteria to a recommendation, Internal Audit Branch takes into consideration the nature, scope, and significance of the audit finding(s), the impact of the recommendation on the organization, and the auditors’ professional judgment.