



ASSISTANT DEPUTY MINISTER (REVIEW SERVICES)

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Audit of Pay Determination for University Teachers



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1259-3-0115 ADM(RS)
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At a Glance

- The Royal Military College’s (RMC) academic staff includes military members; approximately 260 civilian public servant employees classified under the University Teaching (UT) group; and federal contractors.
- Pay for UTs is governed by the Salary Administration Plan, a Treasury Board (TB) manual.
- UT employee performance is reviewed annually, with ratings confirmed by a Performance Evaluation Committee and documented through faculty assessment reports (FAR).
- All 56 samples reviewed included letters communicating the performance rating and corresponding pay action. Of the 56 FARs, 12 were completed and signed as per the guidelines.
- The Salary Administration Plan includes outdated information and is missing key details.
- The part-time UT pay is compliant with TB-approved rates and the collective agreement.
- Ensuring complete and accurate records of employee performance and pay, along with updated guidelines for salary administration, is crucial for transparency and effective pay determination.

Key Findings	Recommendations
<p>Finding 1: UTs are compensated based on their performance ratings. There is an opportunity to improve documentation and retention of the rating rationale to ensure alignment with Salary Administration Plan requirements.</p>	<p>Recommendation 1: Implement a process to ensure all FARs are completed, signed and stored to provide a transparent and justifiable record of performance ratings.</p>
<p>Finding 2: The UT collective agreement and Salary Administration Plan do not reflect current UT administrative allowances and pay increase practices.</p>	<p>Recommendation 2: Following collective agreement bargaining and any subsequent TB updates to policy amendments, all pay determination and evaluation requirements must be consistent with collective agreements and TB policy. This will ensure the compliance and consistency of pay administration for UTs.</p>
<p>Finding 3: Pay is issued to part-time UTs in compliance with TB-approved rates of pay and the collective agreement.</p>	<p>Recommendation 3: N/A.</p>

Table 1. Key findings and recommendations.

Background

RMC Kingston and RMC Saint-Jean are unique national military universities that deliver undergraduate and graduate programs in social sciences, humanities, science and engineering. While RMC delivers core military training programs, such as the Regular Officer Training Plan, it also relies on civilian academic staff to support its mission.

The academic staff comprises military members; approximately 260 civilian public servant employees of the UT classification; and federal contractors. Public service pay rates, including UTs, are set through the TB collective bargaining process. Most UTs receive an annual salary, plus certain allowances. Pay for UTs is governed by the Salary Administration Plan, which is a TB manual. This plan outlines a performance-based approach to pay specific to UTs.

In addition to full-time indeterminate UTs, RMCs hire temporary employees under part-time, casual and term employment contracts. These UTs are used to backfill faculty members on leave and to offer administrative course relief.

Key Findings

Finding 1: UTs are compensated based on their performance ratings. There is an opportunity to improve documentation and retention of the rating rationale to ensure alignment with Salary Administration Plan requirements.

To meet operational needs, all UTs are offered competitive salaries and hired at a pay step higher than the first one on the pay scale ([Annex C](#)). This means a “pay above the minimum” action is needed every time a UT is hired. This pay action is compliant with the Directive on Terms and Conditions of Employment.

At RMC Kingston, term UTs are usually hired from August to May each academic year. Due to their break in service, a “pay above the minimum” action is needed each time the term UTs return. The principal holds sub-delegated authority and approves these pay actions for RMC UTs.

According to the Salary Administration Plan, UTs are compensated based on their performance rating over an academic year (July 1 to June 30). If a UT employee receives an annual rating of “satisfactory,” they move up one step in their pay scale until they reach the top step. The Salary Administration Plan allows up to 40 percent of UTs to receive a rating higher than satisfactory, which moves the UT up two steps in their pay scale.

These ratings are tracked by RMC to ensure compliance with the 40 percent limit. UTs who are at or near the top of their pay scale will receive a lump-sum performance award, which can be

up to twice the amount between the last two steps of the pay scale. UTs at the top step of the UT-04 pay scale can receive up to three times that amount. On average, each step on the pay scale is worth \$3,400.

In accordance with the Performance Evaluation Process for UTs, the performance of each UT is evaluated at the end of the academic year. The performance ratings are confirmed at a Performance Evaluation Committee meeting, chaired by the principal, and then sent to the RMC Commandant and the Canadian Defence Academy Commander for approval. The final step in the performance evaluation process is the completion of FAR, which is the permanent record of this review.

A FAR is created at the end of the academic year for UTs, highlighting employees' achievements over the year. The report provides a complete record to justify the performance ratings that are used to action increases in UT pay. According to the Department's 2014 Career Progression Management Framework document, which explains the annual evaluation process for UTs, FARs are required for all full-time civilian faculty (including terms) employed for six months or more. Currently, FARs are only completed for UTs employed on July 1, the effective date of the increment.

The audit team reviewed 56 sample indeterminate employee files. In all 56 files, letters communicating the performance rating were created and signed by the principal. Twelve FARs were completed and signed as per the guidelines. The remaining FARs were unsigned or missing from the employee files.

The audit team also reviewed letters of offer for nine term employees. Four term employees returned on an annual basis, two of whom were eligible and received a one-step pay increase upon their return. The other two employees were at the maximum rate of the pay scale. The RMC principal approved the pay rates for all nine term employees. FARs were not created for employees with contracts ending prior to the end of the academic year.

The Salary Administration Plan states that "annually, prior to the beginning of the academic year on July 1, the [p]rincipal of the college shall conduct a review of the performance of each employee over the current academic year. The review should take into account such elements as teaching ability, professional standing and creative activity." This phrasing has been interpreted at the RMC to assess on strength as of June 30 and has created implementation ambiguity. The process will need to be clarified when the Salary Administration Plan is updated.

Complete documentation, including clear explanations, concrete evidence of the rationale behind performance ratings and the consistent application of policy, support a transparent pay determination process.

Recommendation 1: Implement a process to ensure all FARs are completed, signed and stored to provide a transparent and justifiable record of performance ratings.

OPI: Chief Military Personnel (CMP)

OCI: Assistant Deputy Minister (Human Resources – Civilian) (ADM(HR-Civ))

Management Response:

See [Annex A](#) for management’s response to Recommendation 1.

Finding 2: The UT collective agreement and Salary Administration Plan do not reflect current UT administrative allowances and pay increase practices.

The Salary Administration Plan does not describe the rate at which term UTs should be paid when their contracts are renewed. The practice is to automatically grant term employees who return a one-step pay increase with each new employment contract until the maximum allowable pay rate is reached. FARs are not maintained with performance ratings for these employees as they are not employed at the end of the academic year.

The Salary Administration Plan does not include sufficient guidance for determining ratings higher than “satisfactory.” The ratings distribution is described in letters from the principal, written in 2007 and 2008. The 2007 letter says that UTs within three years of retirement automatically get a higher rating if they qualify for a satisfactory rating. The 2008 letter says that term UTs are included in the total population to determine the 40 percent limit but are not eligible for a higher rating. The rating criteria found in these letters are not reflected in the Salary Administration Plan document.

Deans and vice principals may receive administrative allowances as UTs performing administrative tasks similar to those of a department head. The rates for these allowances have not been provided within the Salary Administration Plan; however, a rate of \$4,500 was documented in a 1990 TB Minute (an agreement between RMC and TB).

From April 2021 to October 2024, administrative allowances were approved by the principal and issued to eligible RMC Kingston deans and vice principals in the amounts of \$8,000 and \$10,000 respectively. The source of the current rates used for deans and vice principals is unclear. Rates and rationale should be clearly defined and available to justify issuing administrative allowances to unrepresented individuals.

Recommendation 2: Following collective agreement bargaining and any subsequent TB updates to policy amendments, all pay determination and evaluation requirements must be

consistent with collective agreements and TB policy. This will ensure the compliance and consistency of pay administration for UTs.

OPI: CMP
OCI: ADM(HR-Civ)

Management Response:

See [Annex A](#) for management’s response to Recommendation 2.

Finding 3: Pay is issued to part-time UTs in compliance with Treasury Board–approved rates of pay and the collective agreement.

Pay rates for part-time excluded and part-time casual UTs were identified as a risk due to uncertainty surrounding pay determination at RMC Kingston. Letters of offer issued by RMC Kingston state the work period, rate of pay and number of work hours per week. For part-time excluded UTs, a minimum and maximum hourly rate of pay is posted on the TB website. The rate of pay is found in the collective agreement for part-time casual UTs.

Ten letters of offer for RMC Kingston part-time excluded UTs, as well as their associated pay records, were reviewed. All 10 letters stipulated an hourly rate that was in accordance with the rates of pay specified on the TB website. Ten letters of offer were also reviewed to determine if the stipulated rate was in accordance with the collective agreement for part-time casual UTs. All 10 letters for casual RMC Kingston UTs complied.

Conclusion

The existing pay determination process for UTs at RMCs aims to ensure fair and competitive salaries based on performance. Ensuring complete and accurate records of employee performance and pay, along with guidelines that support effective pay determination and administration for UTs, is crucial for transparency and consistency across the RMCs.

Annex A: Management Action Plan

<p>Recommendation 1: Implement a process to ensure all FARs are completed, signed and stored to provide a transparent and justifiable record of performance ratings.</p> <p>OPI: CMP OCI: ADM(HR-Civ)</p>	<p>Management Action The principal commits to ensuring that the timelines outlined in Annex H of the Career Progression Management Framework for the completion of FAR will be followed.</p>	
	<p>This Management Action Plan will be considered closed when the following deliverables have been achieved:</p> <ol style="list-style-type: none"> 1. The College Principal’s Office will create a standard operating procedure from Annex H of the Career Progression Management Framework and disseminate it to the deans and vice principals who have UTs in their faculties/sections and publish it on the College Principal’s Office SharePoint. 2. The special assistant to the principal will ensure that—with an accurate and complete summary of all their contributions to teaching—research, service and professional standing are collected after the increments meeting and placed in the performance evaluation process file for future justification as required. 3. Each deadline date will be placed in Outlook and sent to the required parties to ensure that the deliverable is met. 4. The principal will follow up on all missing FARs, ensuring that deans/vice principals have a clear understanding of expectations and omissions. 5. All received FARs will be placed in the Protected B cabinet by employee name in the special assistant to the principal’s office. 	<p>Timeline</p> <p>October 1, 2026</p>

<p>Recommendation 2: Following collective agreement bargaining and any subsequent TB updates to policy amendments, all pay determination and evaluation requirements must be consistent with collective agreements and TB policy. This will ensure the compliance and consistency of pay administration for UTs.</p> <p>OPI: CMP OCI: ADM(HR-Civ)</p>	<p>This Management Action Plan will be closed when:</p> <p>1) All pay determination and evaluation requirements are reflected in guidelines to ensure the compliance and consistency of pay administration for UTs. Of particular importance are the stipends of deans and vice principals.</p> <p>Timeline: The timeline for the implementation of the recommendation cannot be established until the employer and the union sign the collective agreement and the terms and conditions come into effect. Once completed, RMC—in conjunction with ADM(HR-Civ), TB and the Canadian Military College Faculty Association—will complete item 1.</p> <p>Timeline for item 1: completion of collective agreement + 18 months.</p> <p>2) Once item 1 is completed, RMC will conduct a scan of all internal pay operating procedures to ensure the compliance and consistency of pay administration for all UTs including those in decanal and vice principal roles.</p> <p>Timeline for item 2: Three months following the completion of item 1.</p> <p>Total timeline: Completion of signed collective agreement + 2 years.</p>	<p>Timeline: Completion of this Management Action Plan is dependent on TB (the employer) and the union completing a renewed collective agreement. A collective agreement agreed to at the bargaining table is tentative until:</p> <ul style="list-style-type: none"> • a majority of members of the bargaining unit have voted to ratify (accept) it; • TB, as the public service employer, has approved the proposed agreement; and • following these approvals, the employer and the union sign the collective agreement, and its terms and conditions come into effect. <p>As such, the timeline for the implementation of the recommendation is dependent on the signed collective agreement and the terms and conditions coming into effect.</p>
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Table A.1. Management Action Plans

Annex B: About the Engagement

This engagement conforms with the Internal Auditing Standards for the Government of Canada, as supported by the results of the Quality Assurance and Improvement Program.

Objective

The objective of the engagement was to provide assurance that salary, allowances and awards for UTs are determined and issued in accordance with the UT collective agreement, the UT Salary Administration Plan and the Directive on Terms and Conditions of Employment.

Scope

The scope of the engagement covered:

- UTs of all tenures: indeterminate, term and part-time (i.e., sessional instructors or unrepresented groups); and
- pay above the minimum, pay increments, administrative allowances, retention allowances and performance awards.

The scope of the audit excluded:

- payment processes;
- other teaching personnel; and
- other components of the appointment and performance management processes.

Period Covered

The engagement covered the period from April 2021 to October 2024. This is the period to which the engagement conclusion applies. The audit work was conducted between November 2024 and April 2025.

Annex C: UT Rates of Pay (effective July 1, 2021)

Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
UT-01	44,934	48,310	51,687	55,063	58,437	61,812	65,189	68,568	71,942	75,317
UT-02	63,936	67,297	70,657	74,017	77,375	80,738	84,094	87,452	90,811	94,172
UT-03	87,588	90,982	94,372	97,766	101,160	104,551	107,944	111,333	114,724	118,118
UT-04	104,036	107,430	110,822	114,213	117,604	120,999	124,387	127,779	131,178	134,568

Classification	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16	Step 17	Step 18	Step 19
UT-01	78,697	82,070	85,444	88,822	92,195				
UT-02	97,533	100,892	104,251	107,608	110,968	114,330			
UT-03	121,512	124,904	128,297	131,688	135,080	138,473			
UT-04	137,960	141,352	144,743	148,136	151,528	154,922	158,314	161,704	165,100

Table C.1. UT Rates of Pay